



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

June 08, 2021

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 June 8, 2021

CELIA ZAVALA
EXECUTIVE OFFICER

**ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS
EXPRESSING THE INTENT OF THE COUNTY OF LOS ANGELES TO PARTICIPATE IN THE
CITY OF PALMDALE ENHANCED INFRASTRUCTURE FINANCING DISTRICT
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Recommendation to adopt a Resolution to express the intent of the County of Los Angeles to potentially participate in the Palmdale Enhanced Infrastructure Financing District.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve a Resolution to express the County of Los Angeles' (County) intent to participate in the City of Palmdale Enhanced Infrastructure Financing District if the Board of Supervisors (Board) approves the Infrastructure Financing Plan at a later date;
2. Affirm that as a potential participating taxing entity, the County will have membership in the newly formed Public Financing Authority; and
3. Find that the proposed Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action does not meet the definition of a project for reasons stated herein and the reasons reflected in the record.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the Resolution of Intent of the Board of Supervisors (Board) is to indicate the County's intent to participate in the proposed Palmdale Enhanced Infrastructure Financing District

(EIFD) in the City of Palmdale (City). A future resolution of the Board approving the Infrastructure Financing Plan (IFP) will be required for the County to formally participate in the EIFD.

On September 29, 2014, the Governor approved SB 628, which authorized the formation of EIFDs. An EIFD is a Limited Tax Increment Financing District created after the dissolution of redevelopment agencies in 2012. An EIFD allows governmental entities to agree to contribute a portion of their future property tax revenues from a defined district for the construction of certain infrastructure projects. Schools cannot participate in EIFDs, no new taxes are created, and participation is voluntary.

The purpose of the Palmdale EIFD is to assist in the financing of infrastructure projects that will spur development envisioned in the City's General Plan Update. Approximately \$176 million of infrastructure projects have been identified including: 1) streets, highway, and intersection improvements in transportation corridors; 2) water, sewer, and drainage projects; 3) Avenue O widening; and 4) new Antelope Valley County Service Center.

FISCAL IMPACT/FINANCING

Based on a preliminary fiscal analysis, it appears that the new development activity will generate greater future property taxes for the County net of its contribution to the EIFD, than if the County did not participate in the EIFD and the new development did not occur. Therefore, it is expected the EIFD will have a positive net impact on the County General Fund due to the increased assessed values in the district. If successful, the region will benefit from the EIFD due to the transit-oriented development including new commercial, industrial, and residential development and job growth. Consistent with Board policy, a detailed fiscal analysis will be provided later in the process when the IFP is completed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The law authorizing creation of EIFDs, under California Government Code section 53398.50 et seq ("EIFD law"), took effect in 2015. The EIFD law was established to provide a tool to finance local infrastructure after the dissolution of redevelopment. The City has proposed to partner with the County on the EIFD to assist in financing infrastructure projects. Section 53398.63 of the EIFD Law requires the IFP to include: description of the infrastructure improvements and development projects within the EIFD; a plan for financing the infrastructure projects; tax increment projections; limits on the time the EIFD will exist and the dollar amounts the EIFD will receive; and the anticipated incremental tax revenue contributions from the City and County to the EIFD.

The IFP, which will detail the County's anticipated contribution to the EIFD, will be presented to your Board for approval after it has been prepared by the City and reviewed by CEO staff, consistent with Board policy. The IFP must be approved by your Board by resolution before any incremental tax revenue from the County is contributed to the proposed EIFD. The IFP must also be approved by the Public Financing Authority (PFA), which is the governing body of the EIFD, at a public hearing to form the proposed Palmdale EIFD. The Resolution of Intent includes the formation of the PFA and appointments to the PFA Governing Body. These appointments include one member of the Board and one member of the public appointed by the Board. The City will appoint three members to the PFA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Because the development is primarily within the City, the direct impact on the County for services will be minimal. Benefits of the projects include: 1) construction and permanent jobs; 2) new residential units, including low- and moderate-income units; 3) improved circulation and air quality; and 4) funds for County projects including the widening of Avenue O and a new Antelope Valley County Service Center.

CONCLUSION

At such time as your Board approves the attached Resolution, please return two signed copies to the Chief Executive Office, who will assist in distributing a copy to the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', with a stylized, flowing script.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:AEC

JO:RM:yy

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

ENCLOSURES

**ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS
EXPRESSING THE INTENT OF THE COUNTY OF LOS ANGELES TO PARTICIPATE IN
THE CITY OF PALMDALE ENHANCED INFRASTRUCTURE FINANCING DISTRICT
(ALL DISTRICTS) (3 VOTES)**

**RESOLUTION OF INTENT OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES TO PARTICIPATE IN THE PROPOSED CITY OF PALMDALE
ENHANCED INFRASTRUCTURE FINANCING DISTRICT AND NEWLY FORMED
PUBLIC FINANCING AUTHORITY**

WHEREAS, on _____, the City Council of the City of Palmdale ("City Council") approved Resolution No. _____ which is attached to this Resolution as Exhibit A ("Exhibit A"); and

WHEREAS, pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (the "EIFD Law") Exhibit A authorized the initiation of a process to establish an Enhanced Infrastructure Financing District ("EIFD") whose proposed name is the "City of Palmdale Enhanced Infrastructure Financing District" ("Palmdale EIFD"); and

WHEREAS, the proposed boundaries of the Palmdale EIFD are identified on a map entitled "Proposed Boundaries of the Palmdale EIFD" a copy of which is attached to this Resolution as Exhibit B; and

WHEREAS, the proposed Palmdale EIFD will be used to finance certain public facilities within the proposed boundaries of the Palmdale EIFD; and

WHEREAS, Exhibit A also established a Public Financing Authority ("PFA") to serve as the governing body of the proposed EIFD and which will also be responsible for implementing the Infrastructure Financing Plan ("IFP") required under EIFD Law; and

WHEREAS, the City Council has proposed, as stated in Exhibit A, that the County of Los Angeles participate with the City of Palmdale in the proposed Palmdale EIFD as a taxing entity; and

WHEREAS, pursuant to Government Code section 53398.51.1 and as stated in Exhibit A, if the County of Los Angeles participates in the proposed Palmdale EIFD as a taxing entity, a member of your Board shall be a member of the PFA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles that:

1. The Board intends that the County of Los Angeles ("County") will participate in the Palmdale EIFD as described in Exhibit A as a taxing entity if the Board of Supervisors approves the IFP at a later hearing date;
2. Pursuant to Government Code section 53398.51.1 and Exhibit A, if the Board of Supervisors subsequently approves the IFP and the County's participation as a taxing entity in the proposed Palmdale EIFD, the County of Los Angeles will have membership in the newly formed PFA described in Exhibit A. The PFA's

**RESOLUTION OF INTENT OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES TO PARTICIPATE IN THE PROPOSED CITY OF PALMDALE
ENHANCED INFRASTRUCTURE FINANCING DISTRICT AND NEWLY FORMED
PUBLIC FINANCING AUTHORITY**

membership will include the Los Angeles County Supervisor of the Supervisorial District in which the majority of the territory of the Palmdale EIFD is located, as well as the Mayor of the City of Palmdale, one member of the City Council appointed by the City Council, one member of the public appointed by the Palmdale City Council, and one member of the public appointed by the Board of Supervisors;

3. City of Palmdale staff will prepare the IFP in accordance with EIFD Law;
4. The IFP will be presented to the Board of Supervisors at its _____, 2021 regular meeting, or as soon thereafter as the matter may be heard, for approval;
5. The IFP must be approved by the Board of Supervisors before the County may be considered a participating taxing entity in the Palmdale EIFD or any incremental tax revenue from the County may be used by the proposed Palmdale EIFD. The IFP must also be approved by the Board of Supervisors before a public hearing is held for formation of the proposed Palmdale EIFD and approval of the IFP by the PFA;
6. As stated in Exhibit A, City of Palmdale staff will be responsible for the distribution of the IFP, and any required California Environmental Quality Act reports, to the PFA, the City of Palmdale Planning Commission, land owners within the boundaries of the proposed Palmdale EIFD (as defined under EIFD Law), and each affected taxing entity (as defined under EIFD Law) as required under California Government Code Section 53398.64 for formation of the proposed Palmdale EIFD;
7. As stated in Exhibit A, the City of Palmdale City Clerk is responsible for the mailing and publication of notice, as required under EIFD Law (California Government Code Sections 53398.60, 53398.61, 53398.66), for formation of the proposed Palmdale EIFD. The County of Los Angeles, and its staff, will have no responsibilities for the required mailing and publication of notice;
8. The PFA will hold a public hearing for the establishment of the proposed Palmdale EIFD and approval of the IFP at the City of Palmdale Council Chambers. Under no condition, will the PFA hold the public hearing for the establishment of the proposed Palmdale EIFD and approval of the IFP until the Board of Supervisors has formally approved the IFP;

**RESOLUTION OF INTENT OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES TO PARTICIPATE IN THE PROPOSED CITY OF PALMDALE
ENHANCED INFRASTRUCTURE FINANCING DISTRICT AND NEWLY FORMED
PUBLIC FINANCING AUTHORITY**

9. This resolution in no way obligates the County of Los Angeles to use incremental tax revenue to finance public facilities in the proposed Palmdale EIFD until the Board of Supervisors approves the IFP;
10. This Resolution in no way obligates the PFA to establish the proposed Palmdale EIFD. As stated in Exhibit A, the establishment of the proposed Palmdale EIFD and approval of the IFP is contingent upon the approval by the PFA by resolution and ordinance following a public hearing; and
11. This Resolution shall take effect immediately upon its approval by the Board of Supervisors of the County of Los Angeles.

The foregoing resolution was on the 8th day of June 2021, adopted by the Board of Supervisors of the County of Los Angeles.



CELIA ZAVALA
Executive Officer
Board of Supervisors of
the County of Los Angeles

By *LaChelle Smithman*
Deputy

APPROVED AS TO FORM

RODRIGO A. CASTRO-SILVA
County Counsel

By *R. A. Castro-Silva*
Deputy County Counsel

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-044

A RESOLUTION OF INTENT OF THE CITY COUNCIL OF THE CITY OF PALMDALE PROPOSING TO ESTABLISH THE PALMDALE ENHANCED INFRASTRUCTURE FINANCING DISTRICT AND ESTABLISH A PUBLIC FINANCING AUTHORITY

WHEREAS, pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (the EIFD Law), the City Council of the City of Palmdale (Council) is authorized to initiate the process to establish an Enhanced Infrastructure Financing District (EIFD);

WHEREAS, in accordance with Section 53398.54, the City has complied with the prerequisites prior to initiating the creation of or participating in the governance of the EIFD and will provide the required certification to the Department of Finance in accordance with EIFD Law;

WHEREAS, the Council proposes the establishment of an EIFD to finance certain capital improvements (EXHIBIT B);

WHEREAS, the proposed boundaries of the EIFD are identified on a map entitled "Proposed Boundaries of City of Palmdale EIFD" (EXHIBIT A);

WHEREAS, the EIFD will be formed by a Public Finance Authority (PFA) which will be the governing board of the EIFD and will be responsible for implementing the Infrastructure Financing Plan (IFP); and,

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by this reference.

SECTION 2. Boundaries. The boundaries of the proposed Palmdale EIFD district planning area include 22,971 acres, including 4,140 acres located in unincorporated Los Angeles County (EXHIBIT A of RESOLUTION CC 2021-044). The areas included in the proposed district are primarily undeveloped and lack necessary infrastructure needed for development.

SECTION 3. Description of Facilities. The types of public facilities and development proposed to be financed by the Palmdale EIFD include approximately \$176 million of infrastructure investments needed to support business attraction, job creation, local and regional transportation, and housing opportunities (EXHIBIT B of RESOLUTION CC 2021-044). Additional infrastructure projects highlighted in the IFP will be funded based on the amount of tax increment generated by the Palmdale EIFD.

SECTION 4. Necessity of EIFD and Goal. The Palmdale EIFD is necessary to enable and accelerate the development of undeveloped and underdeveloped areas in the community. The areas identified in the proposed district will remain undeveloped due to the significant cost to build infrastructure needed to serve the sites. The Palmdale EIFD will prioritize and fund key infrastructure projects that are cost prohibitive due and prevent new development from occurring. These infrastructure investments will assist the City's efforts to create jobs, provide housing opportunities, and invest in local and regional transportation projects

SECTION 5. EIFD Funding. All City property tax increment revenue generated within the Palmdale EIFD boundary, above the base year, may be allocated to the Palmdale EIFD – an estimated \$606 million of future City property tax increment is proposed to be dedicated to the Palmdale EIFD over a 50-year period. The Resolution of Intent also provides for the ability for Los Angeles County to join the Palmdale EIFD at a later date, although Los Angeles County contributing property tax increment in the future is at the discretion of the County Board of Supervisors.

SECTION 6. Public Hearing. The Council hereby establishes June 8, 2021, or as soon as possible thereafter as the matter may be heard, at the Council Chambers, 38300 Sierra Highway, Suite C, Palmdale, California, as the time and place, when and where the PFA will conduct a public hearing on the proposed establishment of the Palmdale EIFD and the IFP.

SECTION 7. Mailing and Publication of Notice. Pursuant to Section 53398.60, the City Clerk is hereby directed to mail a copy of this Resolution to the PFA and each owner of land (as defined in the EIFD Law), or alternatively with respect to the owners of land may mail a single-page notice of intention identified in Section 53398.60(b), within the Palmdale EIFD and to each affected taxing entity (as defined in the EIFD Law). In addition, the City Clerk is hereby directed to cause notice of the public hearing to be published not less than once a week for four successive weeks in a newspaper of general circulation published in the City. The notice shall state that the Palmdale EIFD will be used to finance public works, briefly describe the Facilities, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed Palmdale EIFD and state the day, hour, and place, when and where any persons having any objections to the proposed IFP, or the regularity of any of the prior proceedings, may appear before the PFA and object to the adoption of the proposed IFP.

SECTION 8. Successor Agency Findings of Completion. The City solely in its capacity as the designated successor agency to the former Redevelopment Agency of the City of Palmdale, has received a finding of completion, dated as of December 16, 2015, as specified in California Health and Safety Code Section 34179.7.

SECTION 9. Department of Finance Certification. In accordance with Section 53398.54, the City certifies to the California Department of Finance (DOF) and to the PFA that no former Redevelopment Agency of the City of Palmdale (Former RDA) assets that are the subject of litigation involving the State of California, where the City or the Successor Agency are a named plaintiff, have been or will be used to benefit any efforts of the Palmdale EIFD. The City Clerk is authorized and directed on behalf of the City to provide or make this certification to the DOF within 10 days after the date of adoption of this Resolution, by delivery of a copy of this Resolution or signing a separate certification, if and as required by the DOF.

SECTION 10. State Controller Review. The State Controller has completed its review as specified in California Health and Safety Code section 34167.5 of asset transfers between the Former Redevelopment Agency, the City, or any other public agency. The Successor Agency and the City have complied with all the State Controller's findings and orders stemming from such review.

SECTION 11. Current EIFD Law. It is the intent of the Council that the formation of the Palmdale EIFD shall proceed under the now existing and current EIFD Law as effective on the date of this Resolution.

SECTION 12. Severability. If any section, subsection, phrase, or clause of this Resolution is for any reason found to be invalid, such section, subsection, phrase, or clause shall be severed from, and shall not affect the validity of, all remaining portions of this Resolution that can be given effect without the severed portion.

SECTION 13. General Authorization. The City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

SECTION 14. Effective Date. This resolution shall be effective immediately upon its adoption.

SECTION 15. Certify. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 1st day of June, 2021.

Approved as to form:

Steven D. Hofbauer, Mayor

ATTEST:

Christopher L. Beck
City Attorney

Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1ST day of June, 2021 by the following roll call vote:

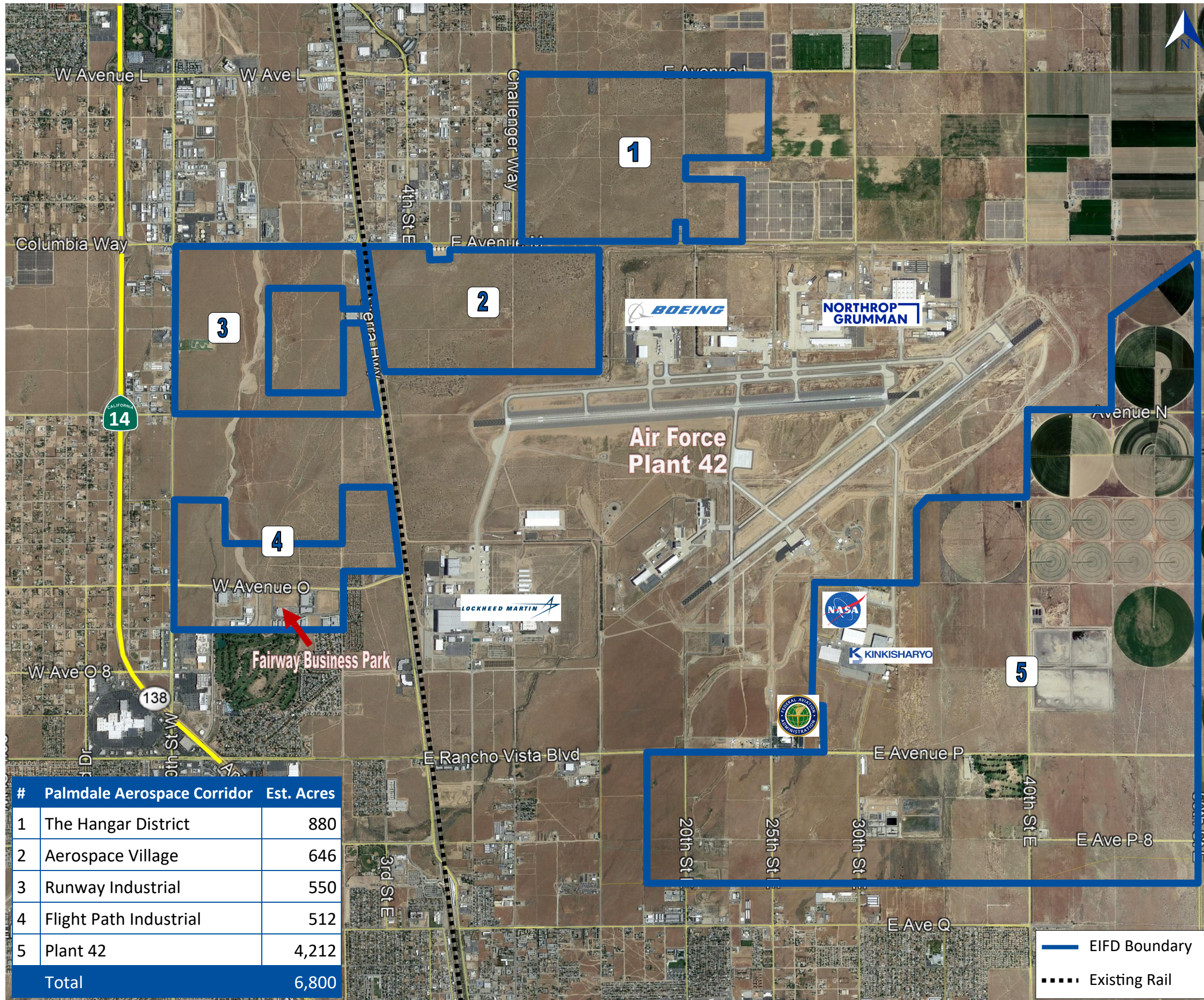
AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____
Shanae S. Smith, City Clerk

Area A - Palmdale Aerospace Corridor 6,800 Total Acres (Est.)



Obstacles to New Development & Job Growth

- Need for Regional Drainage Basin
- Lack of Water and Sewer Infrastructure
- Amargosa Creek Channel Mitigation Efforts
- USAF Plant 42 - No Room for Expansion
- Need for Major Traffic & Safety Improvements Along Avenue M and Rancho Vista Blvd (Ave P)
- Regional Storm Drain Improvements

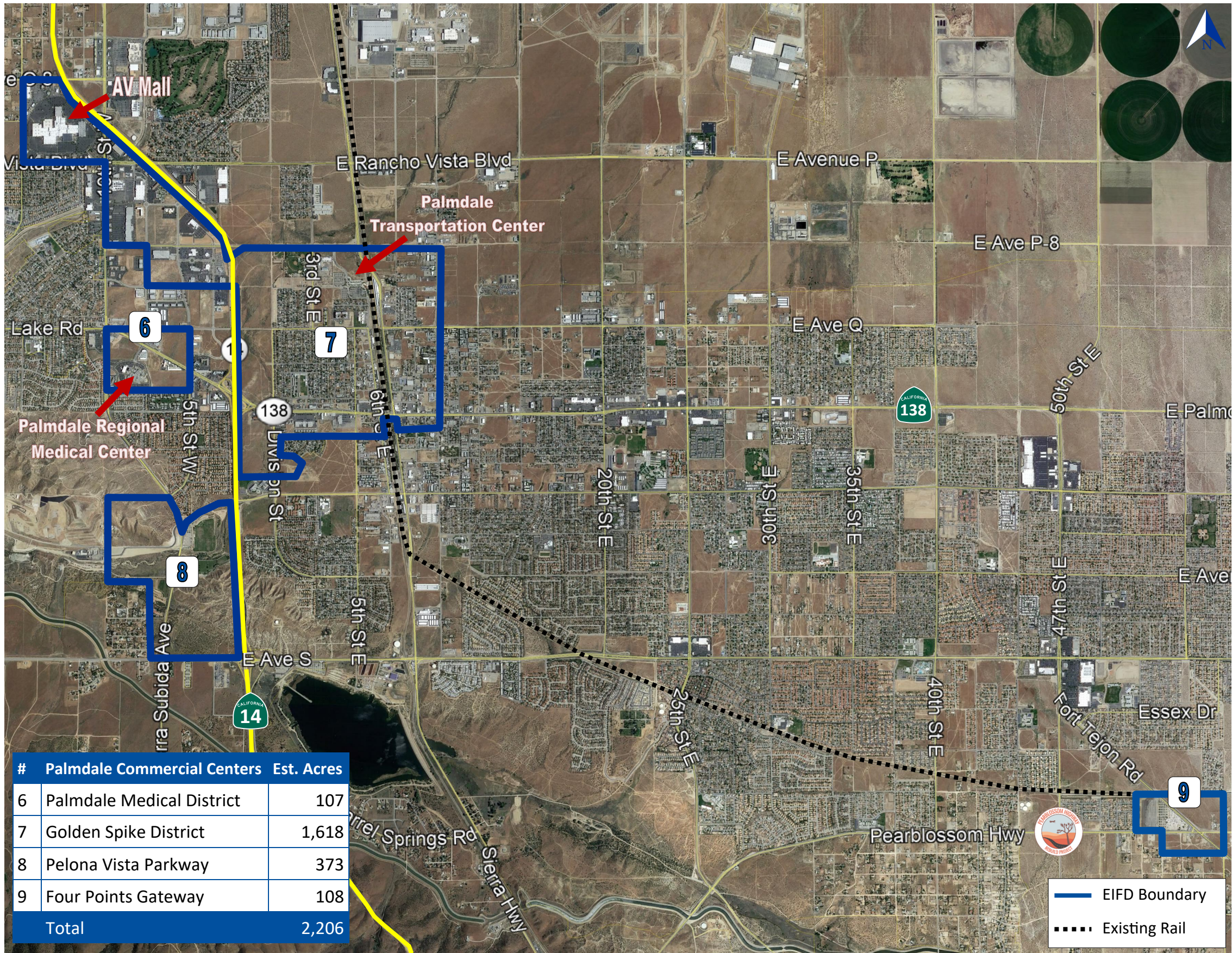
\$129M in Needed Infrastructure Projects Including:

- Rancho Vista Grade Separation
- Amargosa Creek Mitigation Efforts
- Sierra Hwy Regional Retention Basin
- Water and Sewer Line Improvements
- Traffic & Safety Improvements along Avenue M

\$559M Projected Development Potential Over Next 20 Years Including:

- New Aerospace Valley Regional Airport
- Expansion of USAF Plant 42 (LA County Jurisdiction)
- 112 AC Business Park - Approx. 1.5 Million SF New Industrial and Warehouse/Distribution
- 70 AC Business Park - Approx. 1 Million SF New Industrial and Warehouse/Distribution
- Expansion of Fairway Business Park - Approx. 500,000 SF New Industrial and Warehouse/Distribution
- California High Speed Rail & High Desert Corridor Station

**Improvements support high quality job growth
in the Antelope Valley**



Obstacles to New Development & Job Growth

- Need for Regional Drainage Basin
- Lack of Water and Sewer Infrastructure to Support New Housing & Commercial Growth
- Infrastructure to Accommodate High Desert Corridor and High Speed Rail

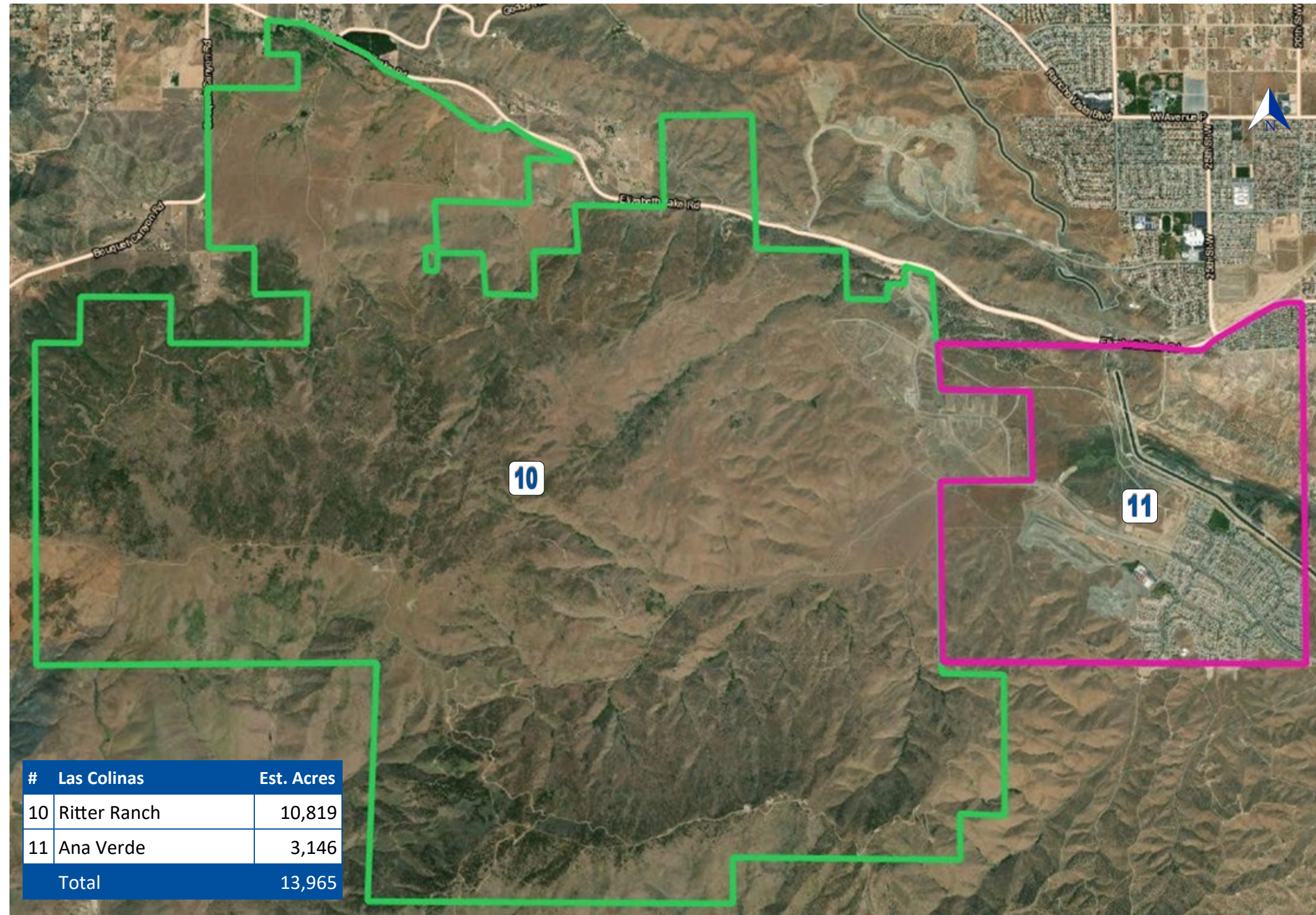
\$53.5M in Needed Infrastructure Projects Including:

- Ave R Regional Retention Basin
- Water & Sewer Improvements along Pearblossom Highway
- Intersection Improvements at Pearblossom Highway & Highway 138
- Avenue S & State Route 14 Interchange Improvements

\$849M Projected Development Potential Over Next 20 Years Including:

- New Multi-modal Transportation Center
- Veteran Housing Project (Homes4Families)
- Implementation of new Palmdale Transit Area Specific Plan (PTASP)
- New Multi-Family Housing and Affordable Housing Projects
- Expansion of Palmdale Regional Medical Center
- California High Speed Rail & High Desert Corridor Improvements
- Redevelopment of AV Mall - Mixed Use Project

Improvements support transportation and connectivity across the County



#	Las Colinas	Est. Acres
10	Ritter Ranch	10,819
11	Ana Verde	3,146
Total		13,965

Obstacles to New Development & Job Growth

- Access to Water
- Lack of Road Infrastructure
- Lack of Water and Sewer Infrastructure to Support New Housing & Commercial Growth

\$60M in Needed Infrastructure Projects Including:

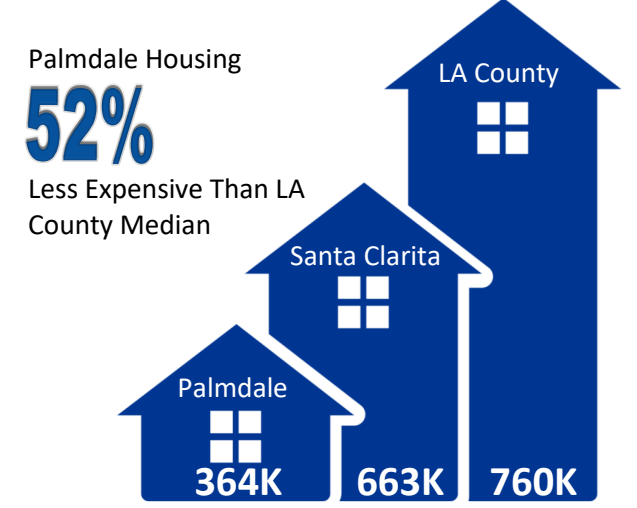
- Water and Sewer Improvements
- Traffic & Safety Improvements Along Elizabeth Lake Road
- Widening and Extension of Avenue S and Ranch Center Drive

\$2B Projected Development Potential Over Next 20 Years Including:

- 6,800 New Housing Units Including Senior, Multi-Family and Single Family Homes
- New LA County Fire Station
- Open Space Preservation
- Neighborhood Commercial Developments

Improvements support affordable housing opportunities in the County

Median Housing Price (Single Family Residential)*



*Source: CoreLogic - November 2020 Home Resale Activity Report