



# Financing Critical Infrastructure

**West Carson TOD**

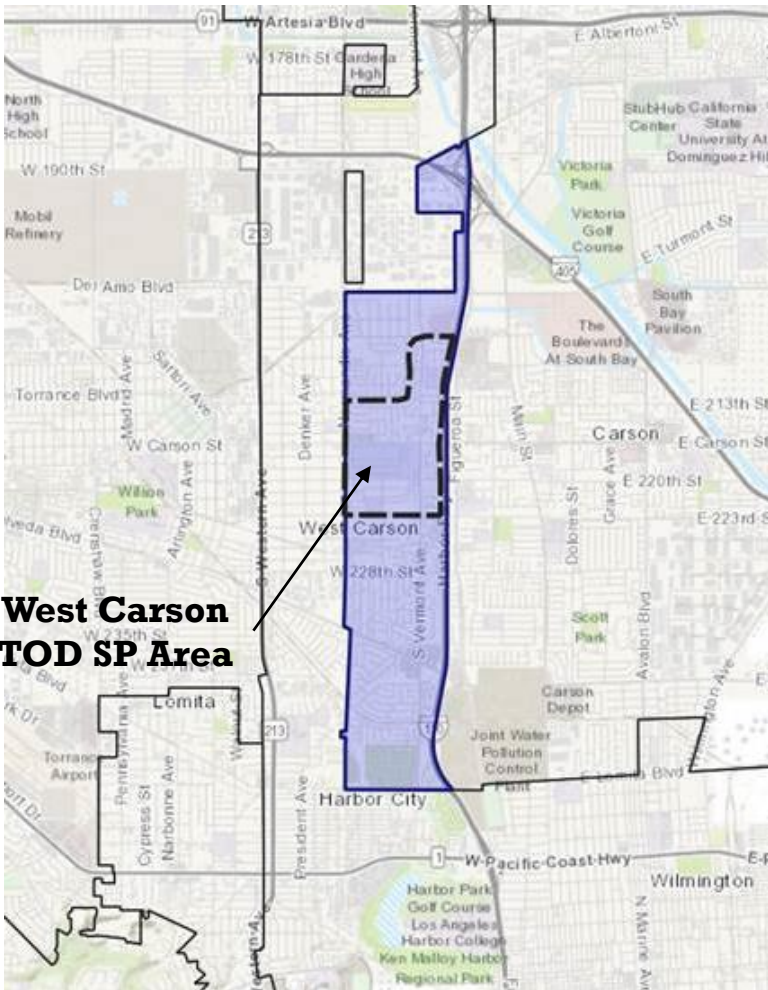
**Enhanced Infrastructure Financing District (EIFD)**

**County of Los Angeles Board of Supervisors**

*December 8, 2020*



# West Carson EIFD Overview



**West Carson  
TOD SP Area**

- ✓ West Carson Transit Oriented District Specific Plan (WCTODSP) adopted in October 2019:
  - Housing, commercial, industrial
  - Harbor-UCLA Medical Center Master Plan (HUCLA MP)
  - BioTech park
  
- ✓ \$136 million infrastructure investment needed to support new development:
  - Transit connections, streets, and circulation – create transit-oriented area
  - Open space and recreation – requested in public meetings
  - Utility upgrades, parking – support BioTech park job growth
  
- ✓ LA County – SCAG partnership on EIFD to help fulfill County goals
  - Fulfills Goal 12 of “Our County” sustainability plan – coordinated funding and partnerships
  - Connect new jobs, housing, and transit
  - Dedicated funding for LA County Affordable Housing Trust Fund
  - County projects to comply with prevailing wage, local/targeted worker policies, and CEQA environmental review

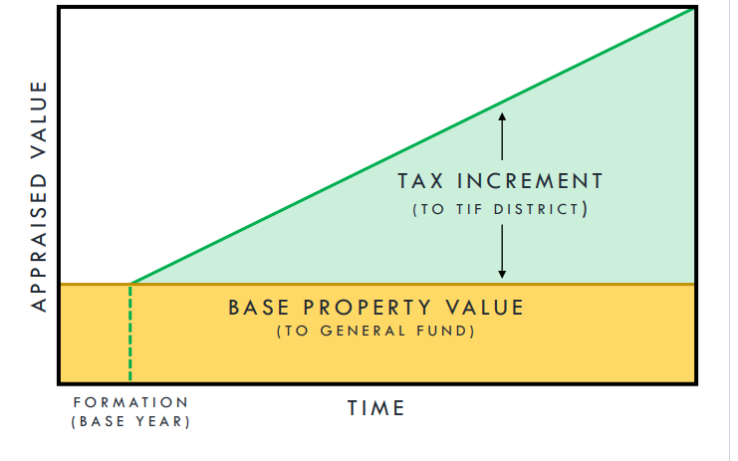
# What is an EIFD?

## California Policy

- Proposition 18 approved by California voters in 1952 created Tax Increment Financing
- Tax Increment Financing allows local governments to finance public projects using property tax revenue from new development
- No new or increased taxes – increase in property value drives growth in tax revenues

## Enhanced Infrastructure Financing District (EIFD)

- Separate District created under Part 1 of Division 2 of Title 5 of the California Government Code
- Allows funds generated in unincorporated West Carson under approved plans to be re-invested in West Carson area

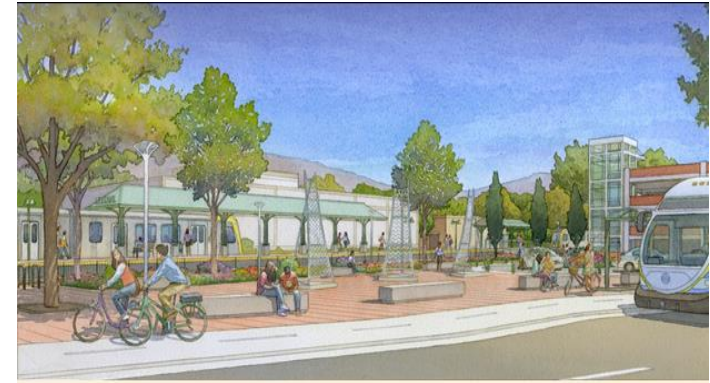


# Los Angeles County EIFDs

EIFDs can help the County achieve housing, sustainability, and economic development goals:

## La Verne Transit Oriented District – Approved!

- City-County contributing property tax revenue to fund infrastructure around future Gold Line station – mixed-use housing, station area infrastructure, and sustainable projects
- Status: formed by City in October 2017; L.A. County joined January 14, 2020; fully formed and receiving tax increment



## Carson EIFD – in formation

- City-County contributing property tax revenue to fund revitalization of various industrial sites, including Victoria Golf Course re-use
- Status: formed by City in December 2019; L.A. County Resolution of Intent to join November 2020; engaged in formation process



# EIFD Fiscal Impact

✓ Overall, EIFD demonstrates positive fiscal impact on County General Fund

Proposed Enhanced Infrastructure Financing District for				West Carson County Unincorporated								
Impact to County General Fund												
County Contribution / Development Scenarios												
Scenario	County Contribution	Projects Completed	Net to County (NPV)	Infrastructure Funding Requirement	Revenue in Excess of Debt Service	Total Available Funding	Infrastructure Funding Requirement	Infrastructure Funding Excess	County Share in Excess (NPV)	Total County Share (NPV)	20% L&M Set Aside (NPV)	Annual Maintenance (NPV)
1	Base Case	0%	\$ 133,595,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,595,245	\$ -	\$ -
2	Expected EIFD	90%	\$ 82,430,986	\$ 136,000,000	\$ 257,344,165	\$ 334,897,165	\$ 136,000,000	\$ 198,897,165	\$ 66,094,602	\$ 148,525,589	\$ 46,333,207	\$ 22,970,718
<b>Fiscal Impact of EIFD:</b>										\$ 14,930,343	\$ 46,333,207	\$ 22,970,718

**Notes:**

- Scenario 1 – No EIFD. Net to County \$ is from tax revenue for parcels within the proposed EIFD project area with Assessed Values projected at 2% annual growth. Net Present Value at 3%.
- Scenario 2 – County contributes 90% of its 30.5% share. Under this scenario, 100% of the EIFD projects will be completely funded by year 31. The County contribution to the EIFD will be limited to the amount necessary to cover outstanding bond payments in subsequent years. Excess funds will be returned to the County General Fund. Affordable Housing set-aside of 20% of total EIFD funds will go to the County Affordable Housing Trust. Annual maintenance costs of \$830,000 million for parks and broadband included.

# EIFD Oversight – Public Financing Authority

## Public Financing Authority (PFA):

- Government Code Section 53398.51.1
- Local public agency subject to Brown Act, California Public Records Act, Political Reform Act of 1974
- Governing board of the EIFD
- Membership – Supervisors Ridley-Thomas, Hahn, and Solis or representatives; Dan Rosenfeld and David Louie (public members)
- Drives the preparation and community outreach of the draft Infrastructure Financing Plan
- Annual review of Infrastructure Financing Plan, independent financial audit, public hearing by June 30
- Future meetings to approve financing of projects by majority vote



# Status and Next Steps

- ☑ Board of Supervisors Resolution of Intent to begin formation of EIFD – May 12, 2020
- ☑ Public Financing Authority Boardmembers appointed – July 2020
- ☐ Public Financing Authority holds 3 public hearings to receive feedback on the EIFD:
  - Sept 8 – Introduction / Public Meeting
  - Oct 20 – First Public Hearing (receive comments)
  - Dec 1 – Second Public Hearing (amend/adopt IFP)
  - **Dec 8 – BOS Resolution to adopt IFP and contribute tax increment to EIFD**
  - Jan 19 – Third Public Hearing (tentative – file protests)
- ☐ January 2021 – Resolution and ordinance to form EIFD



# Disclaimer

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 from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the City are included for informational purposes only and are not intended to be to be “advice” within the context of this Analysis.

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THANK YOU  
Questions?

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