

Contra Costa County
Enhanced Infrastructure Financing District (EIFD) Policy, City Comments

as of October 26, 2021

<u>Section No.</u>	<u>Section Title</u>	<u>City Comment</u>	<u>City</u>	<u>County Comment</u>
1(a)	Contribution of Tax Increment	Each City property tax distribution is obviously less than that of the County yet the policy expects equal contributions from cities. The City suggests a more balanced approach to contributions to any established EIFDs.	Walnut Creek	Participation in EIFDs initiated by cities should be a funding mechanism of last resort for City projects. The County uses its ad valorem property tax to fund existing health and safety services for the benefit of all County residents, including city residents. Redirection of the County's future tax increment reduces general purpose revenue for County services. For these reasons, the County expects to have equal participation with cities on City projects.
2(a)	Maximum Term	25 year maximum term shorter than normal. 30 year timeframe would maintain consistency with other financing mechanisms.	Walnut Creek	The 25 year timeframe is consistent with the County's Debt Management policy, which limits issues of bonds to no longer than 20 years. The additional 5 years is designed to allow for start up and wind down of the EIFD Joint Powers Authority.
2(b)	Procedures for Extension	Is this procedure applied in advance of the project commencing or near the end of the 25-year time horizon?	Walnut Creek	This procedure is designed to be operative at anytime following establishment of the EIFD to provide the most flexibility to the City and County.
2(c)	Termination Prior to End of Term	The 2-3 year deadline needs to be further defined. At what point does this apply since several project activities occur prior to project commencement (e.g. land acquisition, entitlements, etc.)	Walnut Creek	As stated in Section 2(c)(i), the 2-3 year period commences on the date that the EIFD is formed.
3(b)(ii)(3)	Demonstration of Social Benefits	Meeting all of the conditions related to employment may preclude otherwise beneficial projects. City suggests removing "and" to allow for meeting most or some of the conditions. Please provide context about the phrase "jobs-housing balance".	Walnut Creek	The County is not requiring that all of these conditions be met, but that the proposal would be "considered favorably" if the conditions are addressed in the City proposal. The County has a known jobs-housing imbalance, where there are currently more housing resources than jobs. Proposals helping to address this imbalance (e.g. enhancing job creation opportunities) would receive favorable review by the County.
3(b)(ii)(4)	Demonstration of Social Benefits	Imposing an affordable housing commitment of 50% is not enforceable on private property developers unless the developer expressly receives a public subsidy. Two suggestions: 1) Adopt Brentwood Municipal Code Chapter 17.725 which includes a 10% inclusionary requirement on all new housing development; or 2) Establish an Affordable Housing Trust Fund similar to former redevelopment agency set asides.	Brentwood	The County's position is that County participation in an EIFD project within the City that includes a residential development component is a public subsidy to that developer. For EIFD projects that include a residential development component, the County's priority is the establishment of actual affordable housing units. While a Housing Trust Fund sounds good in theory, it is unlikely to generate funding sufficient to actually develop meaningful affordable housing.
3(b)(ii)(4)	Demonstration of Social Benefits	The affordability housing commitment of 50% in a "residential development component" would make the use of EIFDs difficult and could potentially jeopardize the source of future tax increment and funding for affordable housing. City supports establishing an Affordable Housing Trust Fund similar to former redevelopment agency set asides.	Concord	See response above.
4	County Analysis of City Proposal	City suggests an agreed upon not to exceed amount for outside consultants	Walnut Creek	The County would be open to this approach as part of the review of each City proposal received.
5	Miscellaneous Provisions	Each City has increased RHNA requirements making it difficult to accommodate allocating a portion of residential housing EIFD project to the County's RHNA requirements.	Walnut Creek	The County understands that all jurisdictions are under pressure to meet RHNA figures. This is not a mandatory requirement, but a city proposal would be viewed more favorably if this provision was addressed.