

**RETHINKING DEVELOPMENT FINANCE:  
FINANCING DEVELOPMENT IN A POST-  
REDEVELOPMENT WORLD**

**UC DAVIS EXTENSION  
IN PARTNERSHIP WITH  
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION  
Sutter Square Galleria, Sacramento, CA  
November 17, 2015**

# Using the New EIFD Tool for Economic Development



**November 17, 2015**

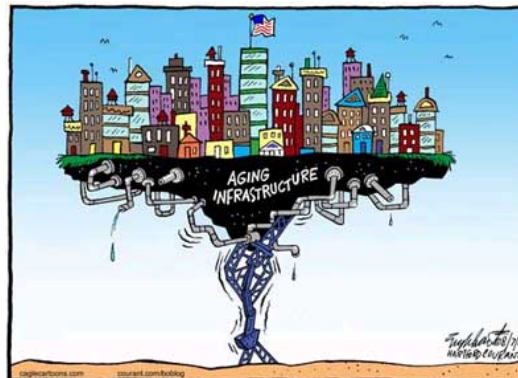
Presented by  
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# INTRODUCTION – SOURCES OF FUNDING

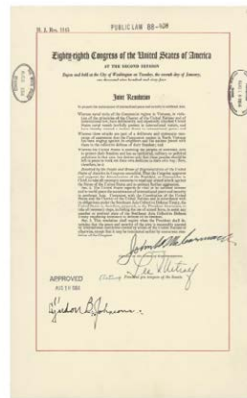
- EIFDs are empowered to provide financing for a broad range of infrastructure work:
- Formation process patterned after Mello-Roos
- Tax Increment



# FORMATION PROCESS



- Process initiated only by city/county although other tax entities may participate
- Adopts a resolution of intention which defines the area, facilities
- AB 313 impact



# WHAT IS THE IFD PLAN?



- The IFD Plan is the heart of the EIFD.
- Specifies what type of facilities are funded, tax increment contributions and other revenue sources
- Defines when the IFD will cease to exist



# FACILITIES WHICH MAY BE FUNDED

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- Includes the purchase, construction, expansion, improvement, seismic retrofit of any real or tangible property with a useful life of 15 years or greater.



# PUBLIC HEARING REQUIREMENT

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## **NOTICE OF PUBLIC HEARING**

- Once the IFD plan is completed and circulated, it must be approved by the affected taxing entities.
- School districts may not participate
- Resolution of formation is adopted after the hearing
- Formation does not require vote of qualified electors

# GOVERNANCE OF EIFD



- EIFD means a legally constituted government entity separate and apart from the entities which established it. Governed by a public financing authority composed of elected tax entity officials and public





# ISSUANCE OF BONDS - REVENUES

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- In order to issue bonds, a vote of the people is required. Voter approval rate is 55%.
- Circumstances dictate whether vote is by registered voters or landowners
- Tax increment allocated to EIFD supports debt service
- Bundling of other revenues
- Hybrid use of EIFD to fund CFD special tax

# CERTAIN THINGS MUST BE DONE BEFORE THE EIFD PROCESS BEGINS

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- The EIFD law allows EIFD to overlap the boundaries of former redevelopment projects.
- Finding of completion from DOF
- No redevelopment assets which are proposed to benefit the EIFD are subject to litigation involving the state
- State controller completes review of RDA transfer

# Differences between RDA/EIFD

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- Tax increment only that which voluntarily contributed
- No finding of blight
- EIFD does not have eminent domain powers

# HOUSING

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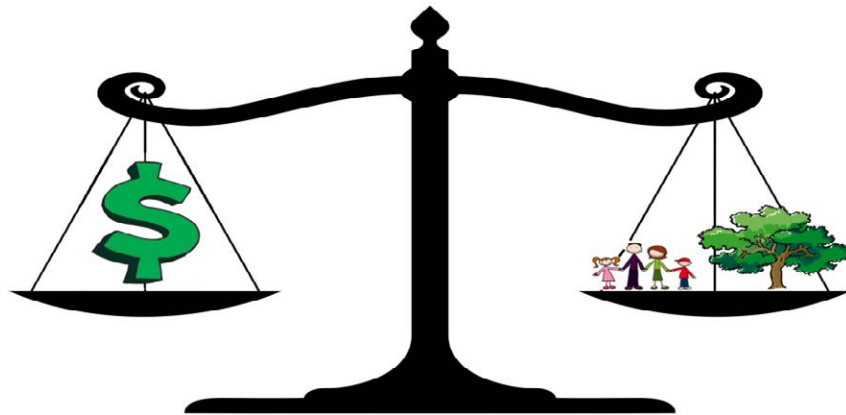
- An EIFD has no mandatory expenditure requirement for affordable housing. However, all housing financed by EIFD must be with a low/moderate affordable housing restriction.



# CONCLUSION

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- A fairly simple vehicle which may be utilized to fill a wide variety of infrastructure needs.



# Thank You!



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