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Community Revitalization & Investment Authority ("CRIA") Preliminary Feasibility Analysis

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Executive Summary

- Kosmont was retained by the City of Seaside (“City”) in 2017 to evaluate the feasibility of a CRIA (or Enhanced Infrastructure Financing District, “EIFD”) to support the financing of essential infrastructure and affordable housing improvements in the City
- Key findings:
 - A significant portion of the City qualifies for CRIA
 - CRIA has the capacity to serve as a financial vehicle to help fund key infrastructure and affordable housing and spur revitalization (1,000+ acres of planned / proposed projects) that inures to the benefit of the City and other taxing entities, including the County of Monterey
 - CRIA would be most effective with multi-jurisdictional / taxing entity partnerships (e.g. City, County, FORA, special districts) and complementary funding sources (e.g. grant funds, CFD, impact fees, reimbursable developer contributions)
- Next steps include outreach to potential public and private sector partners (e.g. land owners / developers, County, FORA, other taxing entities)

Analysis Outline

- 1. Review of CRIA Fundamentals (AB 2 / AB 2492)**
2. Strategic / Boundary Considerations for Seaside
3. Funding and Financing
4. Implementation and Next Steps

“Economic Development 2.0” Gives Cities new Financing Tools

- State has approved new “districts” including [CRIAs](#) (and EIFDs, others)
- New districts geared towards infrastructure, affordable housing, and sustainability with local and regional benefits
- Enables tax increment financing (TIF)
- Can combine tax increment from cities/counties/other taxing entities with other regional and state-authorized financing programs such as Cap-and-Trade / GGRF grant funds
- No school district increment allowed
- Does not increase property taxes

CRIA (AB 2 / AB 2492) Overview

- Restores provisions of former Community Redevelopment Law, targeting disadvantaged communities
- Formed by City or Joint Powers Authority, governed by 5+ member board, including at least 2 public members who live or work within the CRIA area
- Allows projects to be financed by bonds serviced by tax increment from cities, counties, and/or other taxing entities
- Powers of eminent domain granted to CRIAs within first 12 years of district
- **No voter approval for formation or bond issuance**, but subject to **majority protest** at adoption (3 public hearings) and every 10 years
- **25% affordable housing set-aside**
- **Must meet qualification requirements** (e.g. income, crime, former military base characterized by deteriorated infrastructure and private structures)

Review of Eligible CRIA Expenditures



Water / Sewer



Roadway / Sidewalk



Parks / Transit Infrastructure



Assist Businesses



Affordable Housing



Brownfield Remediation

Emphasis on infrastructure and affordable housing

Eligible Expenditure Detail

- **Project implementation:**

- Provide funding to rehabilitate, repair, upgrade, or construct **infrastructure**
- Provide for low- and moderate-income **housing**
- Remedy or remove hazardous substances pursuant to **Polanco Redev. Act**
- Provide for **seismic retrofits** of existing buildings
- **Acquire and transfer real property**
- Construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights
- **Provide direct assistance to businesses** within the plan area in connection with new or existing facilities for **industrial or manufacturing uses**

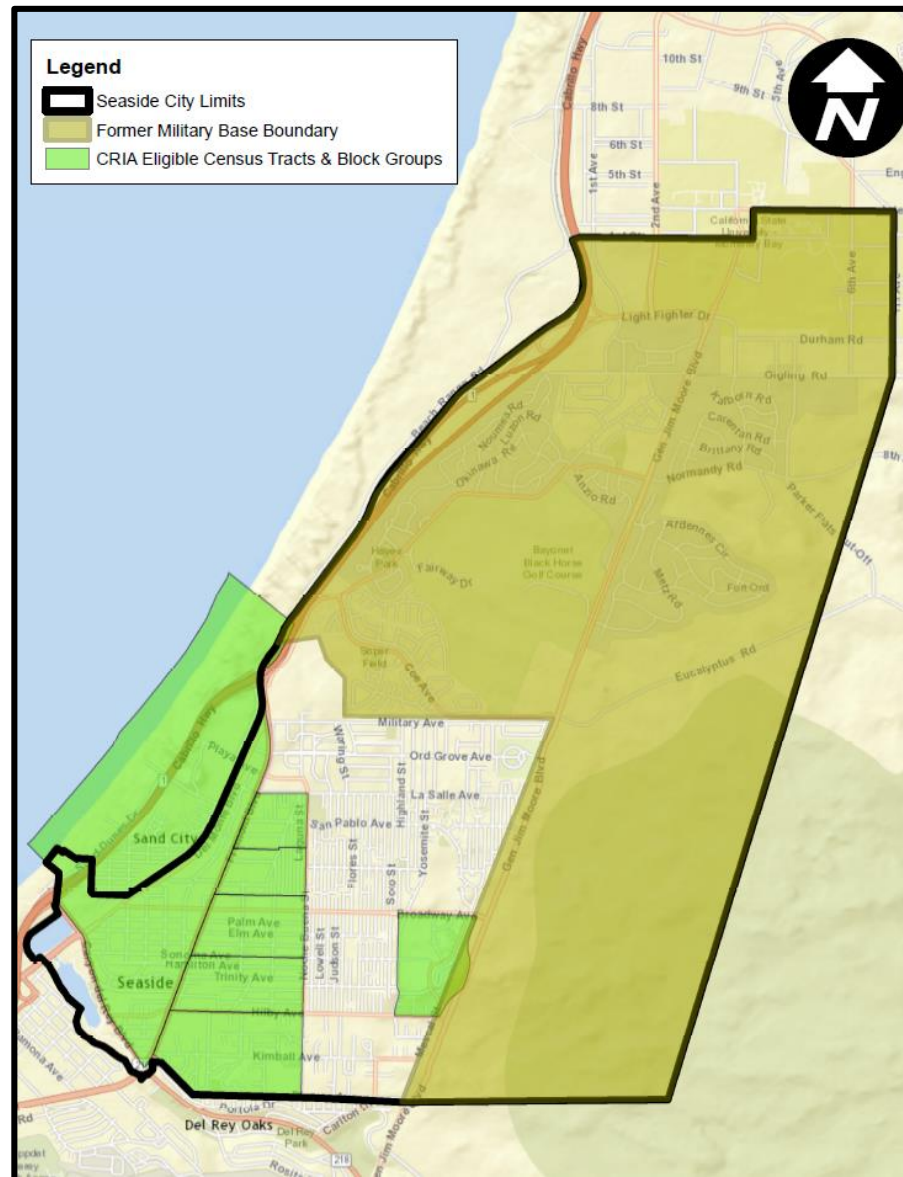
- **Financing and funding sources:**

- Issue bonds
- Borrow money, receive grants, or accept financial or other assistance or investment from state / federal / other public agencies / private lending institutions
- Qualify for funding as a disadvantaged community
- Coordinate with qualified community development entity for investment of New Market Tax Credits
- **Make loans or grants for owners or tenants** to improve, rehabilitate, or retrofit buildings or structures

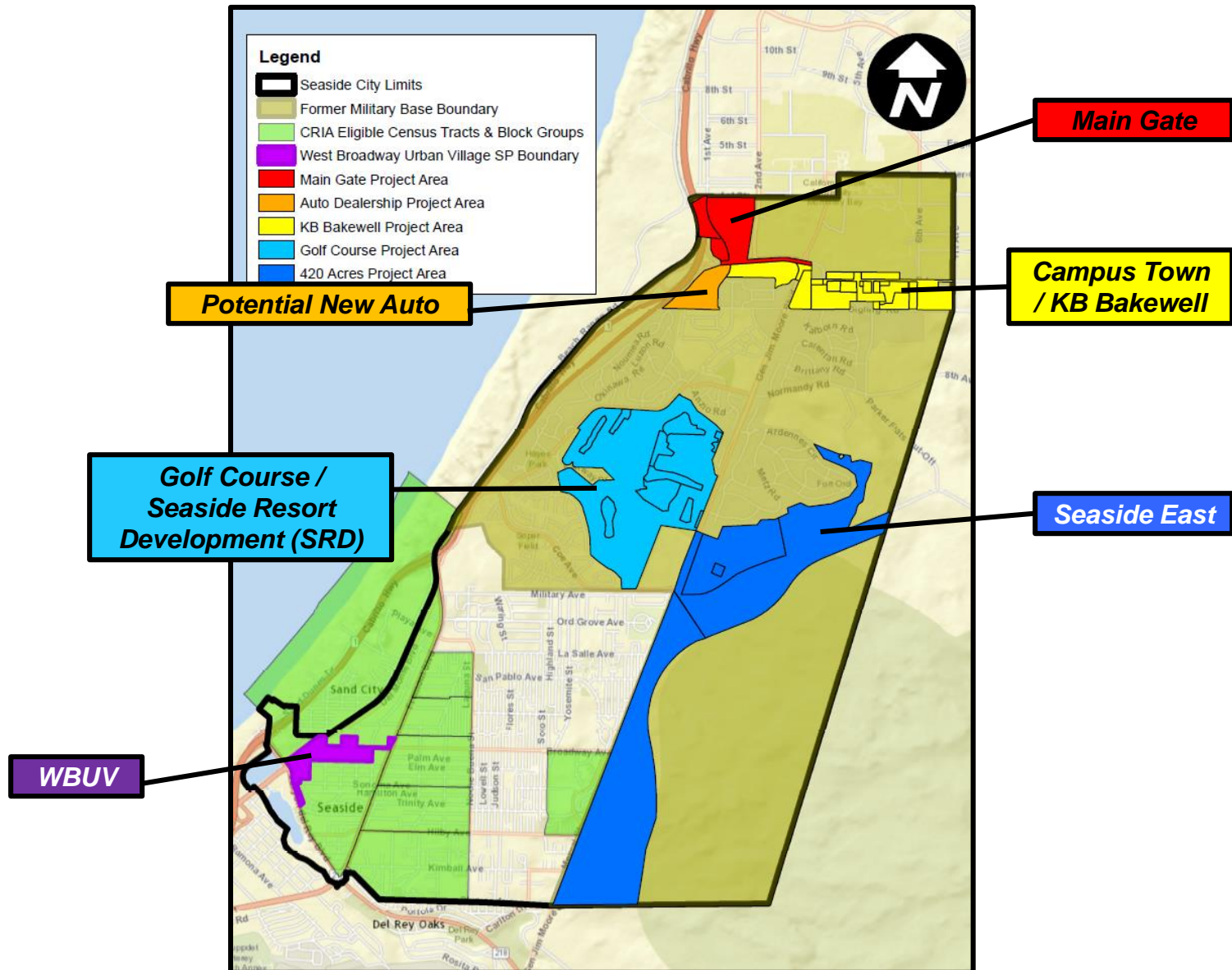
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Total CRIA-Qualifying Area



Selected Planned / Proposed Projects Within CRIA Qualifying Areas



Note: Project boundaries approximated

Cooperative Districts = Greater Funding Capacity

- ~\$889 million development projects developed over 20 years
- City base property tax contribution ~\$110 million over 50 years
- City property tax in-lieu of VLF contribution ~\$63 million over 50 years
- FORA property tax contribution ~\$166 million over 50 years
- County property tax contribution ~\$59 million over 50 years
- In this scenario, the CRIA's cumulative property tax revenues total ~\$399 million over 50 years (nominal 2017 dollars)

