CA Tax Increment Financing Tools

Governor’s Office of Business and Economic Development (GO-Biz)

Trelynd Bradley
Senior Business Development Specialist
Greater Los Angeles Region
Trelynd.Bradley@GOBIZ.CA.GOV
GO-Biz Mission
- Point of contact for economic development and job creation efforts
- Offers services to business owners, communities, and site selectors

SB-635 (Hueso) Local Economic Development Services
- Tailored consultation, education, and incentive navigation for communities
- Opportunity Zones (OZs), Promise Zones (PZs), Tax Increment Financing Tools (TIF)

Opportunity Zones and GO-Biz (opzones.ca.gov)
- ZenDesk Ticket System, direct technical assistance and community outreach
- Interactive Map Tool, California OppSites Marketplace
What is Tax Increment Financing?

- Tool used by municipal governments to stimulate economic development in a targeted geographical area.
- TIF districts are used to finance redevelopment projects or other investments using the anticipation of future tax revenue resulting from new development.
- Leverage other funding sources, do economic development in interim.
  
  Similar and akin to Redevelopment
  
  Infrastructure
  Business assistance
  Affordable housing
California TIF Tools with Opportunity Zones

Tax Increment Financing (TIF) Tools are post-redevelopment tools for funding infrastructure and economic development.

**TIF Tools and Special Districts**
- Enhanced Infrastructure Financing District (EIFD)
- Community Revitalization and Investment Authorities (CRIA)
- Others: AHAs, SIFDs, IFDs, NIFTIs, IFRDs, WHOZs, IRFD’s, HSDs, and ADPs
- Affordable housing, infrastructure, urban greening, transit-oriented development, small biz grants

**Why EIFD/CRIA and OZ?**
- Increased eligibility for State/Federal Funding
- Attract and shape OZ capital gains investment
- Fund TIF projects with front-end OZ capital
- Geographically less restrictive. Improve project viability. Longer lasting (up to 45 years).
<table>
<thead>
<tr>
<th>Community Revitalization and Investment Authority (CRIA)</th>
<th>Enhanced Infrastructure Financing District (EIFD)</th>
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<tbody>
<tr>
<td>• Infrastructure / public works</td>
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<tr>
<td>• Healthcare infrastructure (clinic)</td>
<td>• Civic infrastructure</td>
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<tr>
<td>• Assist business (provide grants and loans)</td>
<td>• Transit / rail projects</td>
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<td>• Provide assistance to tenants to upgrade building/infrastructure</td>
<td>• Parks / libraries</td>
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<tr>
<td>• Transit projects</td>
<td>• Roads and bridges</td>
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<tr>
<td>• Affordable housing development</td>
<td>• Military base reuse if applicable</td>
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<tr>
<td><strong>Community Revitalization and Investment Authority (CRIA)</strong></td>
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<td>---------------------------------------------------------------</td>
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<tr>
<td>• Specified census tracts and property based on income and enviroscreen</td>
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<tr>
<td>• 25% of taxes allocated to affordable housing</td>
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<tr>
<td>• Acquisition by eminent domain under limited use cases in 12 years</td>
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<tr>
<td>• Acts as independent body under community redevelopment law</td>
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<td>• Can leverage New Market Tax Credit dollars, Federal Grants, California HCD funding</td>
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<table>
<thead>
<tr>
<th><strong>Enhanced Infrastructure Financing District (EIFD)</strong></th>
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<tr>
<td>• Formulated with Infrastructure Financing Plan</td>
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<tr>
<td>• No eminent domain</td>
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<tr>
<td>• No restrictions set aside based on placement of TIF</td>
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<td>• No housing set aside</td>
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<td>• Cannot provide assistance to businesses as same as CRIA</td>
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<td>• Under Infrastructure law not community development</td>
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California TIF Tools with Opportunity Zones

Cities and counties across California are planning, exploring and developing tax increment financing tools to pair with OZs.

EIFD Pairing with OZ

CRIA Pairing with OZ

City of El Cajon

City of Riverside
Local Economic Development

Local
- Otay Mesa Enhanced Infrastructure Financing District (EIFD)
- Business Investment District (BID)
- Incubator/Accelerators (INC/ACC)

State
- Affordable Housing Sustainable Communities (AHSC)
- Trade Corridor Enhancement Program (TCEP)
- Transit and Intercity Rail Capital Program (TIRCP)

Federal
- San Diego Promise Zone (SDPZ)
- Opportunity Zones (OZ)
- Foreign Trade Zone (FTZ) 153
Regional Early Action Planning (REAP)
Thank you!

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Stay in touch

- Questions
- Survey
- Share and Stay Connected
Thank you!

- zones@gobiz.ca.gov
- calbis@gobiz.ca.gov