



PROPOSED MOSSDALE TRACT ENHANCED INFRASTRUCTURE FINANCING DISTRICT

**Lathrop City Council Special Meeting
January 13, 2022
Item 2.1**

SJAFCA Mossdale Program

SJAFCA Strategic Plan Priority Actions related to Mossdale Tract Urban Level of Protection:

- Support USACE in initiating Phase 2 of the Lower San Joaquin River Project Feasibility Study
- Complete the Mossdale Urban Flood Risk Reduction Study and advance Design and Environmental Review
- Achieve 200-year Urban Level of Flood Protection for the Mossdale Tract Area (by 2028) and present Adequate Progress until Improvements are Complete

Implementation of the proposed Enhanced Infrastructure Financing District is integral to Adequate Progress

Mossdale Tract Funding

- Program must be completed by 2028 (AB 838 3-Year Extension)
 - Phase 4 Work (200-Year ULOP Project) currently estimated to be \$230M (2021\$'s) taking into consideration SJAFCA's Climate Adaptation Policy
 - Almost entirely locally funded at this time
- New Local Funding Mechanisms
 - Development Impact Fee collected throughout Mossdale Tract Basin
 - Been in place since early 2019. Currently working through update process.
 - Proposed Overlay Assessment District
 - Would overlay RD 17's existing assessment funding the local share of the Phase 3 Levee Seepage Repair Project. Preliminary Rates are being evaluated. Looking to advance assessment formation in the Spring (early 2022).
 - Proposed Mossdale Tract Enhanced Infrastructure Financing District
 - A partnership between the Cities of Lathrop, Manteca, and Stockton and San Joaquin County dedicating a portion of Property Tax Increment toward the project to fund / finance the Project.

Summary of Request

- Start formation of the EIFD by adopting the Resolution of Intention
- 1. Establishes the Governance Entity (a Public Financing Authority) which is the entity that will:
 - a. Prepare the necessary documentation - the Infrastructure Financing Plan; and,
 - b. Take the formal steps of forming the EIFD subject to approval by the participating agencies
- 2. Appoint Members of PFA including Lathrop City Council Members and Public Members
 - a. Staff recommendation is to overlap membership between EIFD PFA and SJAFCFA as much as possible for administrative efficiencies. Public Members will be chosen today from applications received, subject to approval by the other agencies.
- 3. Set forth the hearing and noticing actions to be carried out consistent with relevant EIFD Law

Public Financing Authority - Membership

- Public Financing Authority is proposed to consist of two (2) members from each of the four (4) participating agencies governing bodies (Council Members / Supervisors) plus two (2) members of the public (a total of 10 members)
- Each participating Agency appoints their members *and* approves the two public members
- Attached resolution, as recommended, appoints Council Members Akinjo & Lazard to the PFA *and* as the agency initiating the formation of the EIFD, approves the appointment to the two public members
- All of the other participating agencies must approve the public members as well

Policy Considerations

- The Mossdale Tract Area EIFD will allow **Lathrop** and the other **Affected Taxing Entities** to continue to validate their findings of Adequate Progress toward ULOP.
- The effective use of an EIFD as a tool for infrastructure finance should result in positive economic and fiscal impacts to the community.
 - The Center for Business and Policy Research at the Eberhardt School of Business concluded that total economic benefits of future development in the basin, *which would only be able to move forward if the ULOP project is completed*, would be more than **\$11 Billion** and **66,000 jobs** at buildout.
 - In addition, analyses completed by SJAFCa's consultant team estimate positive fiscal impacts for each of the ATEs.

EIFD Formation Process

Formation process starts with an initial action of a Participating Entity.

- Governance Entity / PFA

Process continues with meetings of new PFA

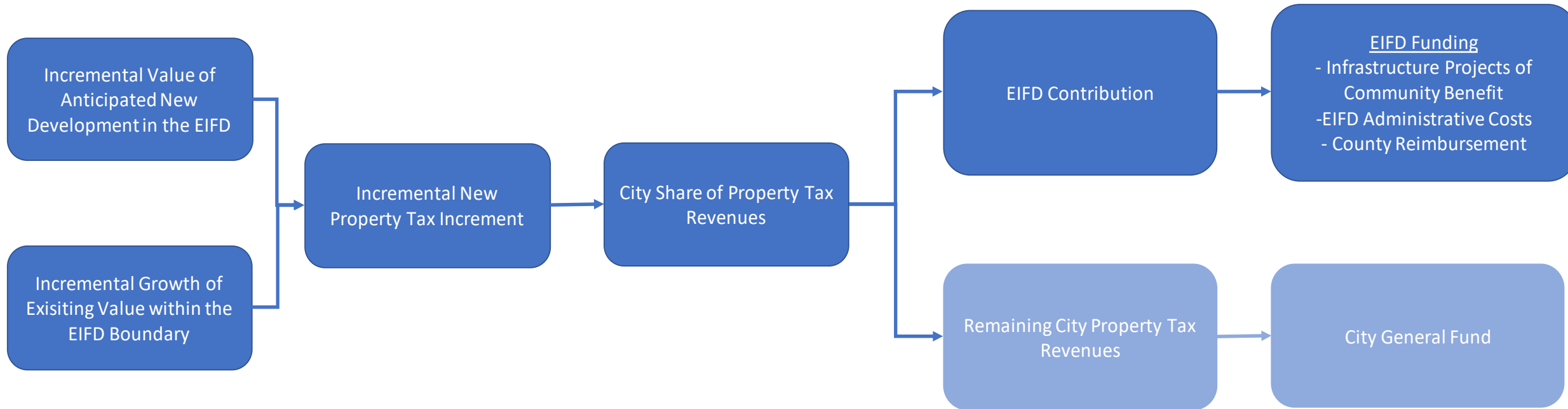
- Five Meetings of PFA
 - Two organizational meetings / call for preparation of IFP / Three Noticed Public Hearings
- Multiple mailed notices to all property owners/residents within the EIFD

Formation is conditioned on Participating Entity approval

- Participating entities must approve IFP prior to Third/Final Public Hearing of PFA

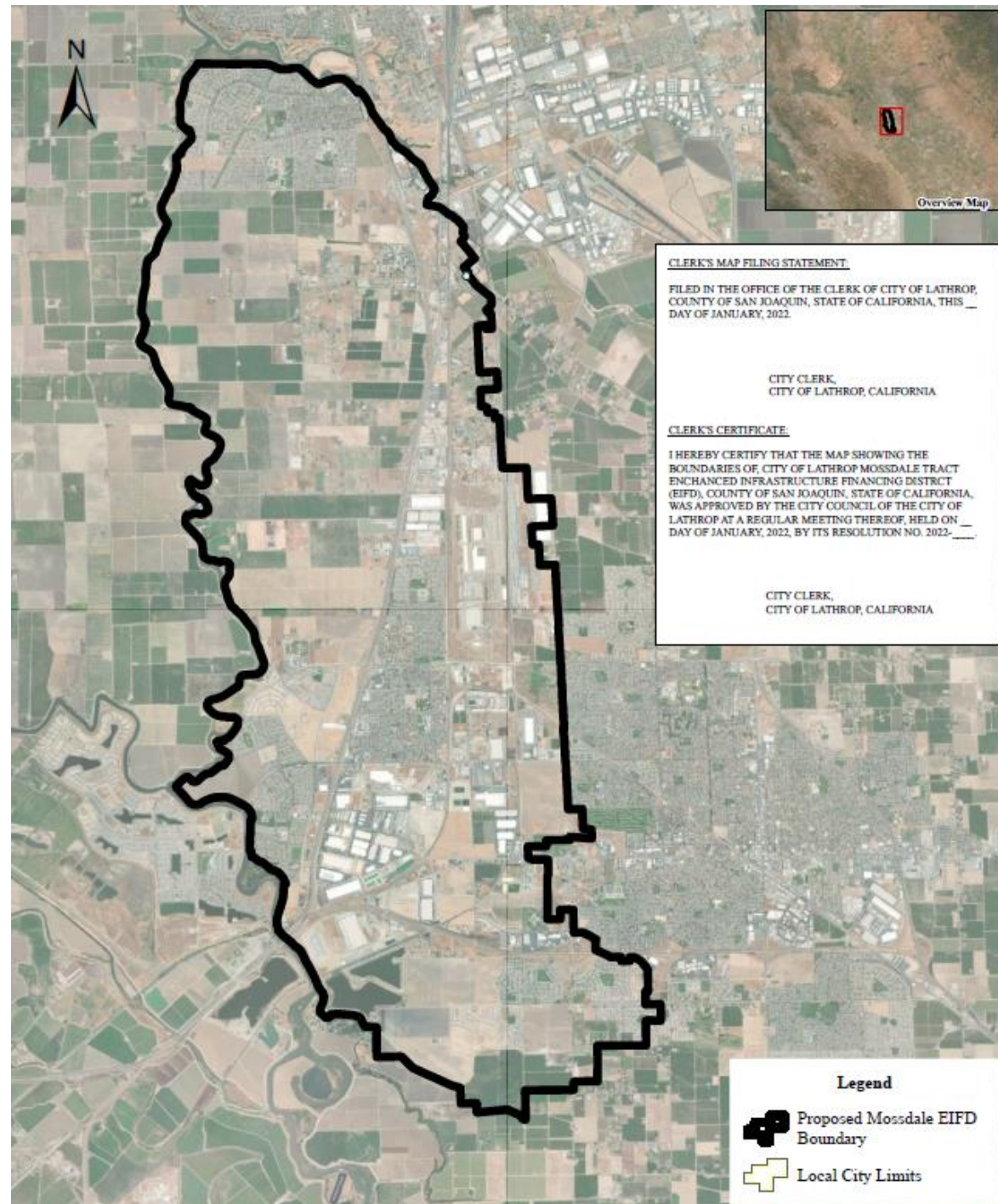
Enhanced Infrastructure Financing Districts

An **Enhanced Infrastructure Financing District (EIFD)** is a tax increment financing mechanism through which jurisdictions allocate a portion of new property tax revenues to fund eligible improvements of communitywide benefit.



Proposed Boundary of the EIFD

- Reflects the Area of Benefit of ULOP
- Consistent with the Area subject to the Regional Levee Impact Fee and Proposed Overlay Assessment District



Infrastructure Financing Plan

As required by Government Code Sections 53398.59–53398.74, the completed IFP contains the following information:

1. The EIFD boundary
2. Public facilities and other forms of development or financial assistance
3. A finding of communitywide significance
4. Financial analyses that summarize:
 - a. Maximum tax increment committed to the EIFD
 - b. Amount of tax revenues generated for the EIFD
 - c. A financing plan and any intention to incur debt
 - d. A limit on total tax increment allocated to the EIFD
 - e. The date the EIFD will cease to exist
 - f. An analysis of projected net fiscal impacts of the EIFD on affected taxing entities
5. A dwelling unit replacement plan
6. The goals of the EIFD

Summary of Draft Analyses Completed

To be included as attachments to the IFP, drafts Fiscal Impact Analyses and EIFD Revenue Analyses have been completed for each affected taxing entity and ready for review by the new PFA.

Fiscal Impact Analysis

- The Fiscal Impact Analysis estimates the costs of providing municipal services to development within the EIFD as well as the net fiscal impact to each jurisdiction's General Fund of EIFD development, including estimated EIFD contributions under each scenario.

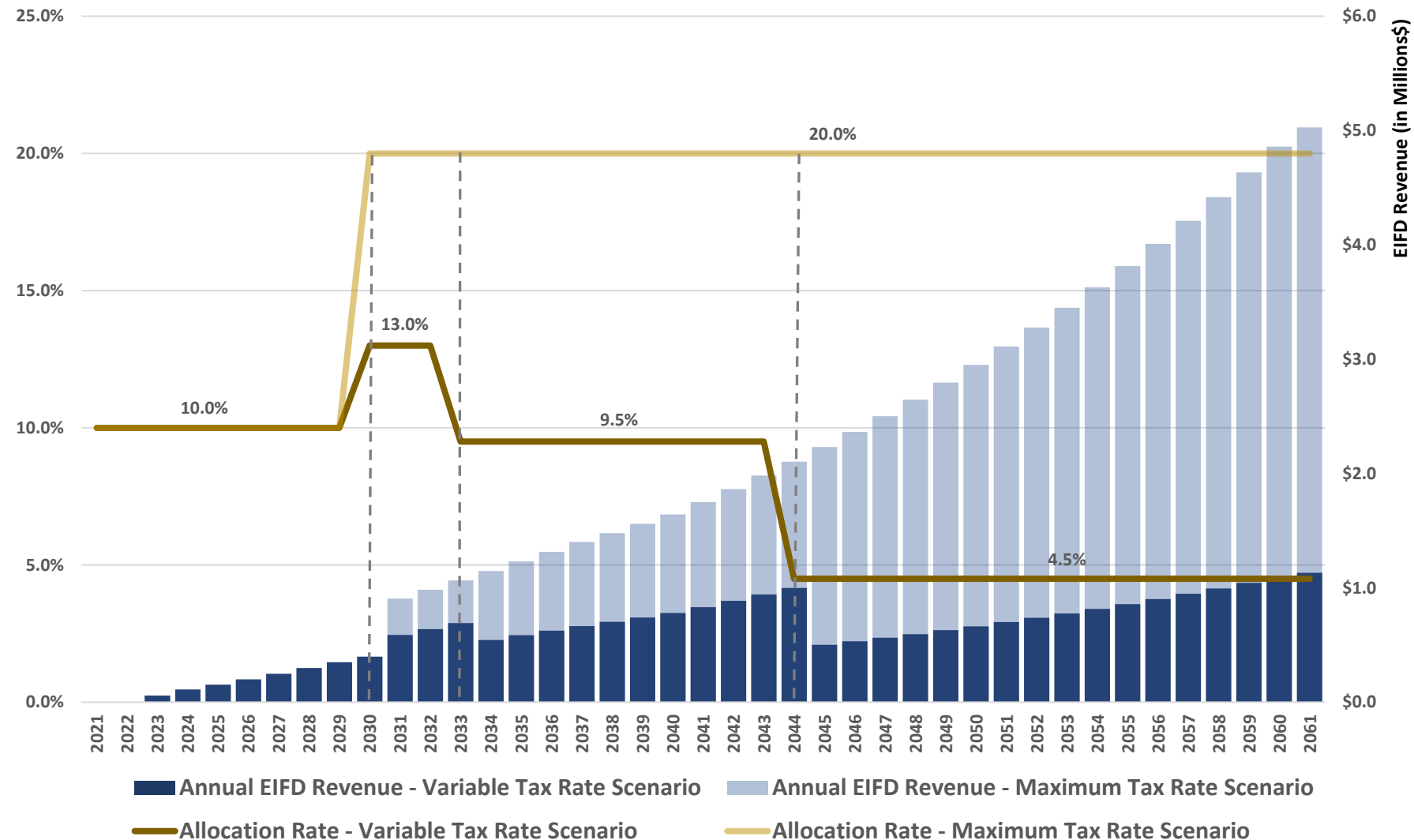
EIFD Revenue Analysis

- The EIFD Revenue Analysis estimates the annual EIFD contribution generated by anticipated development within each jurisdiction, under both allocation scenarios.

Preliminary Bond Proceeds Analysis

- A preliminary Bond Proceeds Analysis has been completed in order to estimate the capacity of the EIFD to generate proceeds for construction of the Mossdale ULOP Project.

City of Lathrop Annual EIFD Revenues and Rates



Next Steps & Requested Action

- Cities of Manteca and Stockton and San Joaquin County would each adopt companion resolutions that:
 - Declare their intent to participate in the EIFD; and,
 - Appoint their respective members to the PFA Board (consistent with the intent to overlap the SJAFCa Membership as much as possible)
- Participating Member Agency Actions are scheduled throughout January & February
- First Public Financing Authority Meeting would be scheduled for Mid-February

Recommendation: Council adoption of the attached *Resolution of Intention proposing to establish an Enhance Infrastructure Financing District and appointing two Lathrop Members and two Public Members.*



Questions?