

ORANGE COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

April 23, 2019

Submitting Agency/Department: Supervisor Chaffee

Adopt resolution approving the intent of Board of Supervisors to participate in the proposed City of Placentia Enhanced Infrastructure Financing District and newly formed Public Financing Authority; and make related findings - District 4

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED OTHER

APPROVED AS RECOMMENDED; CREATED AN AD HOC WITH CHAIRWOMAN BARTLETT AND SUPERVISOR CHAFFEE TO DEVELOP, FOR BOARD CONSIDERATION, A POLICY TO GOVERN THE FUTURE APPROVAL OF ENHANCED INFRASTRUCTURE FINANCEING DISTRICTS

Unanimous (1) DO: Y (2) STEEL: N (3) WAGNER: (4) CHAFFEE: Y (5) BARTLETT: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

Resolution(s) 19-032

Ordinances(s)

Contract(s)

Item No. 49

Special Notes:

Copies sent to:

District 4

CEO/Public Finance

4/25/19



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Orange County, State of California.
Robin Stieler, Clerk of the Board

By: 
Deputy

positive fiscal impact of the County's EIFD investment is expected to be greater than if the County did not participate: no contribution and current rate of property tax collection.

Further benefit includes the addition of 1,600 housing units, 3,900 construction jobs, and 1,150 permanent jobs.

Next Steps:

The City will prepare the IFP as required under the EIFD law. Section 53398.63 of the EIFD Law details the requirements of the IFP to include a description of the developments and improvements within the district boundary and a plan for financing, among other requirements. The City and their consultants will prepare the IFP. The IFP will include tax increment projections, caps to the maximum tax increment revenue and bond authorization for the proposed EIFD, and district formation and election cost information. The IFP will include property tax increment as a funding source.

The City will be responsible for community outreach, public hearing notices, district formation, and landowner election requirements. There is no election required to form the district. The law currently requires a landowner election before bonds may be issued, although there is proposed legislation to eliminate this requirement.

The IFP will be presented to the Board for approval. The IFP must be approved by the Board prior to any incremental tax revenue from the County is used by the proposed Placentia EIFD. The IFP must also be approved by the Board before a public hearing is held for formation of the proposed Placentia EIFD and approval of the IFP by the PFA.

FINANCIAL IMPACT:

If the resolution is approved and once the Placentia EIFD and PFA are formed, the County will contribute 46 percent of its share of property tax increment within the EIFD boundary. This contribution is 2.7 cents of the 5.9 cents property taxes or approximately \$3.5 million over 20 years or approximately \$175,000 per year.

There is a positive net impact to the County from the improvements to future residential and commercial development in the form of job creation and increased assessed values, which will increase the County's future share of property tax revenue generated in the district.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - Resolution

Attachment B - Government Code 53398.50 – 53398.58

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF ORANGE, STATE OF CALIFORNIA**

APRIL 23, 2019

RESOLUTION OF INTENT OF THE MEMBERS OF THE BOARD OF
SUPERVISORS TO PARTICIPATE IN THE PROPOSED PLACENTIA
ENHANCED INFRASTRUCTURE FINANCING DISTRICT AND
NEWLY FORMED PUBLIC FINANCING AUTHORITY

WHEREAS, on February 19, 2019, the City Council of the City of Placentia (“City Council”) approved Resolution No. R-2019-05 which is attached to this Resolution as Exhibit A (“Exhibit A”); and

WHEREAS, pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (the “EIFD Law”) Exhibit A authorized the initiation of a process to establish an Enhanced Infrastructure District (“EIFD”) whose proposed name is the “Placentia Enhanced Infrastructure Financing District” (“Placentia EIFD”);

WHEREAS, the proposed boundaries of the Placentia EIFD are identified on a map entitled “Proposed Boundaries of Placentia EIFD” a copy which is on file in the office of the City Clerk of the City of Placentia and is attached to this Resolution as Exhibit B; and

WHEREAS, the proposed Placentia EIFD will be used to finance certain public facilities within the proposed boundaries of the Placentia EIFD; and

WHEREAS, Exhibit A also established a Public Financing Authority (“PFA”) to serve as the governing body of the proposed EIFD and which will also be responsible for implementing the Infrastructure Financing Plan required under EIFD Law; and

WHEREAS, the City Council has proposed, as stated in Exhibit A, that the County of Orange participate with the City of Placentia in the proposed Placentia EIFD as a taxing entity; and

WHEREAS, the City Council, as stated in Exhibit A, has proposed that if the County of Orange participates in the proposed Placentia EIFD as a taxing entity the County shall have membership in the PFA.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE, AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are true and correct and this Board hereby so finds and determines.

Section 2. Intention to Participate in the Enhanced Infrastructure Financing District. The Board intends that the County of Orange will participate in the Placentia EIFD as described in Exhibit A as a taxing entity if the Board of Supervisors approves the Infrastructure Financing Plan at a later hearing date.

Section 3. Participation in the Public Finance Authority. Pursuant to Exhibit A, as a potential participating taxing entity in the proposed Placentia EIFD, the County of Orange will have membership in the newly formed Public Financing Authority described in Exhibit A. The Fourth District member of the Board of Supervisors, or the member's designee, shall be a member of the PFA, whose membership will also include the Mayor of the City of Placentia, a member of the City Council appointed by the City Council, and two members of the public appointed by the Placentia City Council.

Section 4. Preparation of Infrastructure Financing Plan. Placentia City staff will work with the Southern California Association of Governments and the Kosmont Company to prepare an Infrastructure Financing Plan ("IFP") in accordance with EIFD Law.

Section 5. County Approval of Infrastructure Financing Plan. The IFP will be presented to the Board of Supervisors at its June 25, 2019 regular meeting, or as soon thereafter as the matter may be heard, for approval.

Section 6. Required Approval of Infrastructure Financing Plan. The IFP must be approved by the Board of Supervisors before any incremental tax revenue from the County of Orange will be used by the proposed Placentia EIFD. The IFP must also be approved by the Board of Supervisors before a public hearing is held for formation of the proposed Placentia EIFD and approval of the IFP by the PFA.

Section 7. Distribution of Infrastructure Financing Plan. As stated in Exhibit A, Placentia City staff will be responsible for the distribution of the IFP, and any required California Environmental Quality Act reports, to the PFA, the Placentia City Planning Commission, land owners within the boundaries of the proposed Placentia EIFD (as defined under EIFD law), and each affected taxing entity (as defined under EIFD law) as required under California Government Code Section 53398.64 for formation of the proposed Placentia EIFD.

Section 8. Responsibility for Mailing and Publication of Notice. As stated in Exhibit A, the Placentia City Clerk is responsible for the mailing and publication of notice, as required under EIFD law (California Government Code Sections 53398.60, 53398.61 and 53398.66), for formation of the proposed Placentia EIFD. The County of Orange, and its staff, will have no responsibilities for the required mailing and publication of notice.

Section 9. Public Hearing. The PFA will hold a public hearing for the establishment of the proposed Placentia EIFD and approval of the IFP at the Placentia City Council Chambers. Under no condition, will the PFA hold the public hearing for the establishment of the proposed Placentia EIFD and approval of the IFP until the Board of Supervisors has formally approved the IFP.

Section 10. No Obligation of Incremental Tax Revenue. This Resolution in no way obligates the County of Orange to use incremental tax revenue to finance public facilities in the proposed Placentia EIFD until the Board of Supervisors approves the IFP.

Section 11. Establishment of the Placentia EIFD. This Resolution in no way obligates the PFA to establish the proposed Placentia EIFD. As stated in Exhibit A, the establishment of the proposed Placentia EIFD and approval of the IFP is contingent upon the approval by the PFA by resolution and ordinance following a public hearing.

Section 12. Effective Date. This Resolution shall take effect immediately upon its approval by the Board of Supervisors of the County.

