

M O T I O N

An Enhanced Infrastructure Financing District (EIFD) is a Tax Increment Financing (TIF) tool used to collect incremental property tax revenues above the defined base level. This tax increment is then used to fund traditional infrastructure projects or other types of economic development projects within a given geographic area, such as infrastructure, affordable housing and transit-oriented development. The incremental increase in property tax revenue that is allocated to an EIFD is diverted from a City's General Fund.

In July 2019, the City Council approved a report by the Chief Legislative Analyst (CLA) that adopted a Citywide EIFD policy (C.F. 14-1349-S1 and 14-1349-S2). Since that time, new state laws have modified the programmatic, administrative, and governance requirements for EIFDs.

There are currently studies exploring the use of potential EIFDs in areas such as San Pedro (C.F. 19-0408), Hollywood (C.F. 21-0761), and Downtown (C.F. 18-0334) and it is anticipated that Council's consideration of one or more of these EIFDs will be required in the coming months. It is therefore critical that the City develop an updated policy and criteria regarding the use and approval of EIFDs. Further review and analysis is needed to develop more detailed parameters for potential EIFDs, including a review of the governance structure and an analysis of the legal and fiscal impact of a potential EIFD. An updated policy is needed to guide the City's EIFD decision-making process and safeguard the stability of the General Fund.

I THEREFORE MOVE that the City Council:

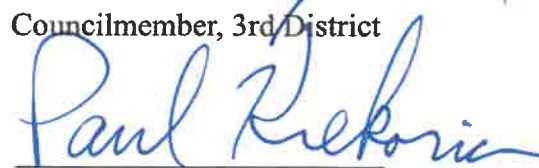
DIRECT the Office of the City Administrative Officer, with the assistance of the Chief Legislative Analyst, the Economic and Workforce Development Department, and the City Attorney, to report back within 60 days with an updated Citywide Enhanced Infrastructure Financing District Policy that protects the City's fiscal and legal interests.

PRESENTED BY:


Bob Blumenfeld

Councilmember, 3rd District

SECONDED BY:


Paul Krekorian

Councilmember, 2nd District

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