

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 4, 2025

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso
Chief Legislative Analyst

Council File No: 25-0002-S41
Assignment No: 25-05-0415

SUBJECT: Resolution (Rodriguez – Blumenfield) to support SB 782 (Pérez)

CLA RECOMMENDATION: Adopt Resolution (Rodriguez – Blumenfield) to include in the City's 2025-2026 State Legislative Program SUPPORT for SB 782 (Pérez) which would authorize the establishment of Enhanced Infrastructure Financing District: Climate Resilience Districts to accelerate community recovery by providing funding through a community-based approach.

SUMMARY

On May 7, 2025, a Resolution (Rodriguez – Blumenfield) was introduced in support of SB 782, which would authorize the establishment of Enhanced Infrastructure Financing District: Climate Resilience Districts to accelerate community recovery by providing funding through a community-based approach. The Resolution states that currently, the legislative body of a city or a county has the authority to designate a proposed enhanced infrastructure financing district to finance public capital facilities or other specified projects by adopting a resolution of intention to establish the proposed district.

The Resolution further states that a city, county, city and county, special district, or a combination of any of those entities is authorized to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects, including projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding.

Lastly, the Resolution states that SB 782 would authorize a city or county to adopt a resolution providing for the division of taxes of any participating entity without following specified procedures for the preparation and adoption of an infrastructure financing plan for the purpose of financing the repair or replacement of buildings, low- and moderate-income housing, facilities, structures, or other improvements within the district, that have been damaged or destroyed by a disaster, as defined, or addressing the risk of a future disaster. The Resolution, therefore, seeks an official position of the City of Los Angeles to support SB 782.

BACKGROUND

Established through California Senate Bill 628 (SB 628) in 2014, Enhanced Infrastructure Financing Districts (EIFDs) are a financing tool designed to support infrastructure development and revitalization projects without raising taxes. EIFDs enable local governments to fund public capital facilities and community improvements by redirecting future property tax increments (above a base year) within a designated area and still allow the local government to capture the base year taxes to use as it deems necessary.

The types of eligible projects that EIFDs can finance include a wide range of public facilities such as transportation infrastructure, parks, libraries, water and sewer systems, transit priority projects, brownfield restoration, and the acquisition, construction, or rehabilitation of low- and moderate-income housing. In addition to property tax increments EIFDs can leverage other funding sources, such as Mello-Roos bonds,

developer fees, state and federal grants, and other local revenues, to finance projects. State legislation further describes the EIFD formation and governance process.

In February 2025, Senator Sasha Renée Pérez introduced California Senate Bill 782 (SB 782) that aims to establish Climate Resilience Districts within the framework of EIFDs. These districts would enable local governments—such as cities, counties, and special districts—to finance and implement projects addressing climate-related challenges like wildfires, extreme heat, flooding, and drought.

Similar to EIFDs, local agencies can create climate resilience districts through an expedited public process, including two hearings and consultations with affected taxing entities without following specified procedures for the preparation and adoption of an infrastructure financing plan, if certain conditions are met. The districts can utilize tax increment financing, voter-approved property taxes, benefit assessments, or fees to fund eligible projects.

Funds made available through a Climate Resilience District are restricted to repairing or replacing infrastructure damaged by disasters or mitigating future risks, including projects like vegetation clearance, undergrounding utilities, and constructing affordable housing.


SB 782 is currently under review in the California Senate. If enacted, it would provide local governments with a structured approach to address the escalating impacts of climate change.

DEPARTMENTS NOTIFIED

Economic and Workforce Development Department

BILL STATUS

02/21/2025	Introduced
05/20/2025	Amended in Senate
05/28/2025	In Assembly; Read first time; Held at desk.


Oscar Ixco
Analyst

Attachment: 1. Resolution

RESOLUTION RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district to finance public capital facilities or other specified projects, with a governing body referred to as the public financing authority, by adopting a resolution of intention to establish the proposed district; and

WHEREAS, existing law authorizes a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district, as described, for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects; and

WHEREAS, existing law deems each district to be an enhanced infrastructure financing district and requires each district to comply with existing law concerning enhanced infrastructure financing districts, except as specified; and

WHEREAS, existing law requires a district to finance only specified projects that meet the definition of an eligible project, including projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified; and

WHEREAS, currently pending in the California State Senate is SB 782 (Pérez), that would authorize a city or county to adopt a resolution providing for the division of taxes of any participating entity without following specified procedures for the preparation and adoption of an infrastructure financing plan, if certain conditions are met; and

WHEREAS, the bill would require the district to hold a public meeting to consider the resolution of intention to establish the district and a second public meeting to consider the adoption of the infrastructure financing plan, and would require the district to post specified notices prior to the meetings; and

WHEREAS, the bill would require the resolution to include specified information, including that incremental property tax revenue from the city or county and all affected taxing entities within the district may be used to finance the district's activities; and

WHEREAS, the bill would require the district to make the infrastructure financing plan available for public inspection at least 10 days before the hearing to approve the formation of the district, and would require the designated official of the district to consult with each affected taxing entity prior to development of the infrastructure financing plan; and

WHEREAS, the bill would limit the use of the district's revenue to repairing or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements within the district, that have been damaged or destroyed by a disaster, as defined, or addressing the risk of a future disaster; and

WHEREAS, the bill would define disaster for these purposes to mean any flood, fire, hurricane, earthquake, storm, tidal wave, or other catastrophe for which the Governor has certified the need for assistance and which the President of the United States has determined to be a major disaster, as specified.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State Legislative Program SUPPORT for SB 782 (Pérez), which would authorize the establishment of Enhanced Infrastructure Financing District: Climate Resilience Districts to accelerate community recovery by providing funding through a community-based approach.

PRESENTED BY

MONICA RODRIGUEZ
Councilwoman 7th District

SECONDED BY

MR
MAY 07 2025

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