



# AGENDA

## ADJOURNED REGULAR MEETING OF THE SANTA FE SPRINGS CITY COUNCIL – STUDY SESSION

July 26, 2018  
5:00 P.M.

Council Chambers  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

**Jay Sarno, Mayor**  
**Juanita Trujillo, Mayor Pro Tem**  
**Richard J. Moore, Councilmember**  
**William K. Rounds, Councilmember**  
**Joe Angel Zamora, Councilmember**

**Public Comment:** The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

**Americans with Disabilities Act:** In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

**Please Note:** Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.

***City of Santa Fe Springs***  
***Study Session***

***July 26, 2018***

**1. CALL TO ORDER**

**2. ROLL CALL**

Richard J. Moore, Councilmember  
William K. Rounds, Councilmember  
Joe Angel Zamora, Councilmember  
Juanita Trujillo, Mayor Pro Tem  
Jay Sarno, Mayor

**CITY COUNCIL**

**3. STUDY SESSION**

Presentation on the Community Revitalization & Investment Authority ("CRIA") – Preliminary Feasibility Analysis

**Recommendation:** That the Successor Agency:

- Provide direction to staff regarding the next steps towards CRIA formation and preparation of a CRIA plan.

**4. ORAL COMMUNICATIONS**

*This is the time when comments may be made by interested persons on matters on the agenda having to do with City business.*

**5. ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 24 hours prior to the meeting.*

  
\_\_\_\_\_  
Janet Martinez, CMC  
City Clerk

***July 20, 2018***

Date





# City of Santa Fe Springs

## City Council Meeting

July 26, 2018

### STUDY SESSION

#### Presentation on the Community Revitalization & Investment Authority ("CRIA") – Preliminary Feasibility Analysis

##### RECOMMENDATION: That the City Council:

- Provide direction to Staff regarding the next steps towards CRIA Formation and Preparation of a CRIA Plan.

### BACKGROUND

On January 12, 2017, the City Council authorized the Director of Planning to execute an Agreement with Kosmont Companies (hereinafter, "Kosmont"), for the evaluation of a Community Revitalization and Investment Authority (CRIA). This is a follow-up to provide the Council with a general overview of the preliminary feasibility analysis completed by Kosmont. The objective of this Study Session is to present the City Council with a review of the CRIA fundamentals, strategic boundary considerations, funding and finance considerations, and seek direction on the next steps towards CRIA Formation and Preparation of a CRIA Plan.

With the dissolution of redevelopment agencies in 2012, California's cities and counties have struggled to find alternative economic development tools that create investment in disadvantaged areas where investment does not flow naturally. With this in mind, the State of California approved new economic development tools, including the ability to create CRIAs (pursuant to Assembly Bill (AB) 2 that was signed by Governor Jerry Brown on September 22, 2015). The CRIAs have many of the same abilities as the redevelopment agencies that the Governor previously dissolved: the power to issue bonds, provide low-income housing, prepare and adopt a plan for an area, and among others, the power to acquire property using the power of eminent domain.

There are two ways to form a CRIA: (1) a city, county, or city and county together can create a CRIA, which will be administered by a five-member board appointed by the local government(s); or (2) a city, county, or special district, or any combination of those local governments, can create a CRIA by entering into a joint powers agreement, and the CRIA would be administered by members from the legislative bodies of the public agencies that created the authority. In either case, the body must include at least two members of the public who live or work in the area.

CRIAs can (1) fund the rehabilitation, repair, upgrade or construction of infrastructure; (2) provide low and moderate-income housing; (3) clean hazardous waste; (4) provide seismic retrofitting to existing buildings; (5) acquire and transfer real property; (6) issue bonds; (7) incur debt; (8) adopt a community revitalization

and investment plan; (9) make loans or grants for rehabilitation or retrofitting of buildings in the area; (10) construct structures necessary for air rights, and (11) assist businesses in connection with new or existing facilities for industrial or manufacturing uses.

A CRIA plan may include a provision for the receipt of tax increment funds. Like the former redevelopment agencies, CRIAs would freeze the property taxes of the area at the time the plan is approved and then collect the increased tax increment to use on specific activities. In another notable divergence from redevelopment law, the taxing entities in the plan area, like cities, counties and special districts, must **agree** to divert tax increment to the CRIA. Under prior redevelopment law, local agencies had no say in the process; redevelopment agencies could designate large areas for redevelopment, and the property tax funds the local agencies would otherwise receive were essentially capped because the property tax base was frozen. Forcing taxing entities to agree to divert their tax increment to CRIAs seems to limit the power of the CRIAs and may help eliminate concerns that CRIAs are including wide swaths of land in the plan area just to appropriate increased property tax revenues.

Based on the 2017 Agreement, Kosmont has performed the following scope of work:

*Phase 1: Eligibility Analysis and Preliminary Identification of Target Public and Private Projects*

- Task 1: Conduct kickoff meeting
- Task 2: Eligibility analysis for CRIAs
- Task 3: Identify eligible public and private projects and sample project evaluation
- Task 4: (OPTIONAL) Public meetings and presentations

Phase 1 deliverables include:

- Summary of preliminary analysis and findings regarding eligibility for CRIA formation (PowerPoint Presentation format).
- Identification of eligible opportunity sites/areas that correspond to CRIA formation
- As related to CRIA eligibility, a map that conforms or modifies the location of qualifying census tracts or census block group within and proximate to the City (including supporting conditions) and the location of targeted projects/opportunity sites/areas
- Preliminary CRIA Plan Area map(s) (up to 3)
- Identification of potential funding sources available
- Preliminary identification of potential public agency collaborators
- Initial infrastructure improvement/project list and relevant project costs
- Analysis and calculation of projected property tax increment revenues and pro-rata share of each affected entity that is likely to participate (including the City and excluding any school districts) to be based on the preliminary

CRIA boundary scenario determined in Task 2

- Budget and Timeline for CRIA formation and adoption (Phase 2) including other professional services required such, as, but not limited to, ongoing business plan, specialized engineering services, campaign/election advisory, community outreach, and environmental (CEQA).

This Study Session is to present to the City Council the findings and deliverables from the Phase 1 efforts. A separate contractual agreement, and at additional costs, is required to implement future phases or work. Should the Council decide to move forward with the CRIA formation process, below is a general description of the deliverables and an estimated range for costs associated with various tasks needed to implement the next phase:

#### Phase 2:

Task 1: Public and Private Stakeholder Outreach and Analysis Refinement – (Estimated cost: \$12,500 - \$17,500) – Kosmont will assist with outreach to public and private sector entity stakeholders, potentially including, but not limited to:

- City Council
- County Executive Office
- County Auditor-Controller / Treasurer / Tax Collector / Property Tax Manager
- County Board of Supervisors
- Southern California Association of Governments (SCAG)
- State Board of Equalization / Department of Tax and Fee Administration
- Special districts (e.g. fire district, water districts, utilities agencies)
- Major CRIA area developers, property owners, and/or registered voters.

Kosmont will assist with preparation and presentation of CRIA materials and Analysis as appropriate. Based on continued stakeholder outreach, Kosmont will refine preliminary tax increment projections and related funding and financing analysis, in order to reflect proposed participating taxing entity, tax increment dedications and supplementary funding sources and financing mechanisms. Kosmont will assist with final determination of CRIA boundaries and governing CRIA board composition.

Task 2: CRIA Plan Document Template – (Estimated cost: \$6,500 - \$7,500) – Kosmont will prepare CRIA Plan document template to be populated by City staff in collaboration with Kosmont and appropriate third-party consultants (e.g. special counsel, engineering / environmental consultants). The Plan template will include a table of contents and delineated sections for required information, including, but not limited to, a legal description of district boundaries, improvements to be implemented, housing program, finalized tax increment projections, taxing entity



fiscal impact analysis, and replacement housing obligations.

Task 3: CRIA Plan Supporting Fiscal Impact Analysis – (Estimated costs: \$15,000 - \$20,000) - The CRIA Plan is required by legislation to include an analysis of the projected fiscal impact of the CRIA and associated development upon each affected taxing entity. Kosmont will prepare the fiscal impact analysis for the expected life of the CRIA, including the period during and after new development has occurred. The analysis will include evaluation of potential fiscal revenues (e.g. property tax, sales tax, transient occupancy tax) and expenditures (e.g. police, fire, community services) for the City and other potentially participating taxing entities

Task 4: Meeting and Presentation Assistance – (Estimated budget \$5,000 - \$6,000) - CRIA formation requires a minimum of three (3) public hearings by legislation. Kosmont will assist with preparation and/or presentation as coordinated with City staff. Additional meetings beyond the three (3) included herein will be billed on an hourly basis.

The grant total for all four tasks is in the range of \$39,000 to \$51,000, but the City may decide to move forward incrementally and simply complete Task 1 (\$12,500 - \$17,500), and then based on County and other stakeholder feedback, decide on whether to move forward with formation with or without their participation.

#### **FISCAL IMPACT**

The fiscal impact is \$39,000 to \$51,000. If, however, it is feasible for the City to create a CRIA and the City is able to bring back tax increment financing, the myriad benefits of tax increment financing is expected to surpass the initial cost of \$40,000 (Phase 1) and \$51,000 (Phase 2).

#### **INFRASTRUCTURE IMPACT**

If it is feasible for the City to create a CRIA, it could be used to fund the rehabilitation, repair, upgrade or construction of City facilities, storm drain, sewer and water systems, streetlights, and roadways.



Raymond R. Cruz  
City Manager

Attachments:  
None