

# GATEWAY COG BOARD RETREAT 2019: VISIONING FOR CURRENT AND FUTURE TRANSIT CORRIDORS



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# CONTINUED LEGISLATION IMPROVES SUSTAINABILITY AND HOUSING TOOLS

<u>Date</u>	<u>Legislation</u>
9/29/2014	SB 628 signed by Governor, authorizing EIFDs
9/22/2015	AB 313 signed by Governor, revising EFD legislation AB 2 signed by Governor, introducing CRiAs
9/23/2016	AB 2492 signed by Governor, amending CRIA
9/29/2017	Governor signs housing bill package: SB 540 (WHOZ), AB 73 (HSD), SB 35, 12+ other bills
10/7/2017	AB 1568 signed by Governor, introducing NIFTI as part of EIFDs
10/13/2017	AB 1598 signed by Governor, introducing Affordable Housing Authorities (AHAs)
9/19/18	SB 1145 signed by Governor, enables EIFD spending for <u>maintenance</u> SB 961 signed by Governor, NIFTI 2 additionally available under EIFD
9/28/18	AB 2035 signed by Governor, clarifies AHA provisions, expands to include homeless / transitional housing
2019	More to come...(SB 128, SB 5, AB 11, others)

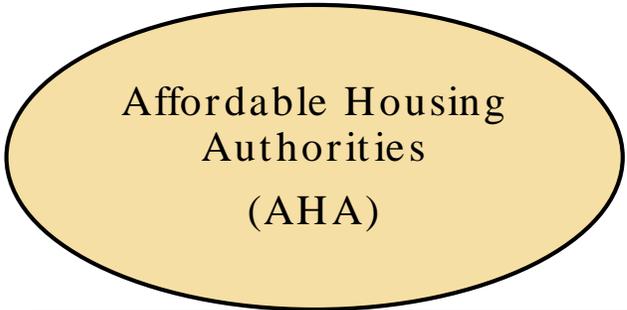
# ACTIVE SUSTAINABILITY & HOUSING “TIF” DISTRICTS FOR PUBLIC/PRIVATE PROJECTS



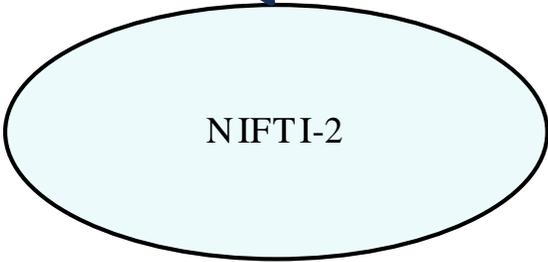
Most flexible / versatile



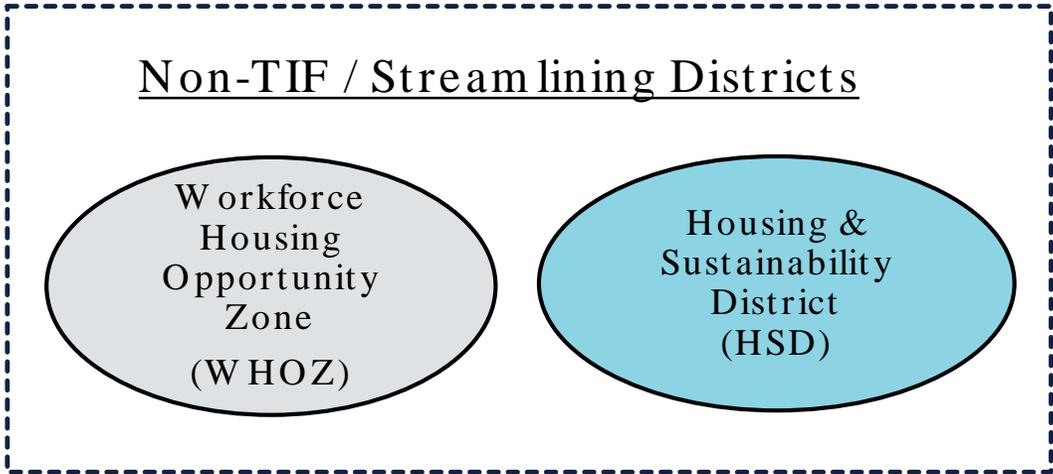
Second-most versatile  
25% affordable housing req.  
Qualification necessary



Housing focus  
95% affordable housing req.



Formed within an EIFD  
Allows sales tax if coterminous with City limits  
20% to 40% affordable housing req. for sales tax



# SUSTAINABILITY & HOUSING DISTRICTS: WHERE ARE THEY BEING DONE?

Three Districts  
Approved (EIFDs)  
30+ Districts in Progress

Red markers are EIFDs/CRIAs  
under evaluation

West Sacramento  
EIFD (approved)

La Verne TOD  
EIFD (approved)

San Diego Otay Mesa  
EIFD (approved)

1. Atwater
2. Azusa
3. Carson
4. Duarte
5. El Cajon
6. El Monte
7. Grand Terrace
8. High Desert Corridor (7 jurisdictions)
9. **I-5 Corridor (5 jurisdictions)**
10. Imperial County
11. Inglewood
12. La Verne
13. Long Beach
14. Los Angeles (San Pedro & Vermont Corridor)
15. L.A. County (W. Carson Uninc.)
16. Ontario
17. Pittsburg
18. Placentia
19. Redondo Beach
20. Rialto
21. Richmond
22. Riverside
23. Riverside County (Salton Sea Uninc.)
24. Sacramento County
25. San Luis Obispo
26. San Jose
27. Santa Ana
28. Santa Fe Springs
29. Seaside
30. South Gate
31. St. Helena
32. **West Santa Ana Branch Transit Corridor (12 jurisdictions)**

*Note: Partial list*

# SCAG's ROLE

- Implementation aligns with SCAG's RTP / SCS and affordable housing objectives
- SCAG provides assistance to cities attempting to evaluate / implement new tools:

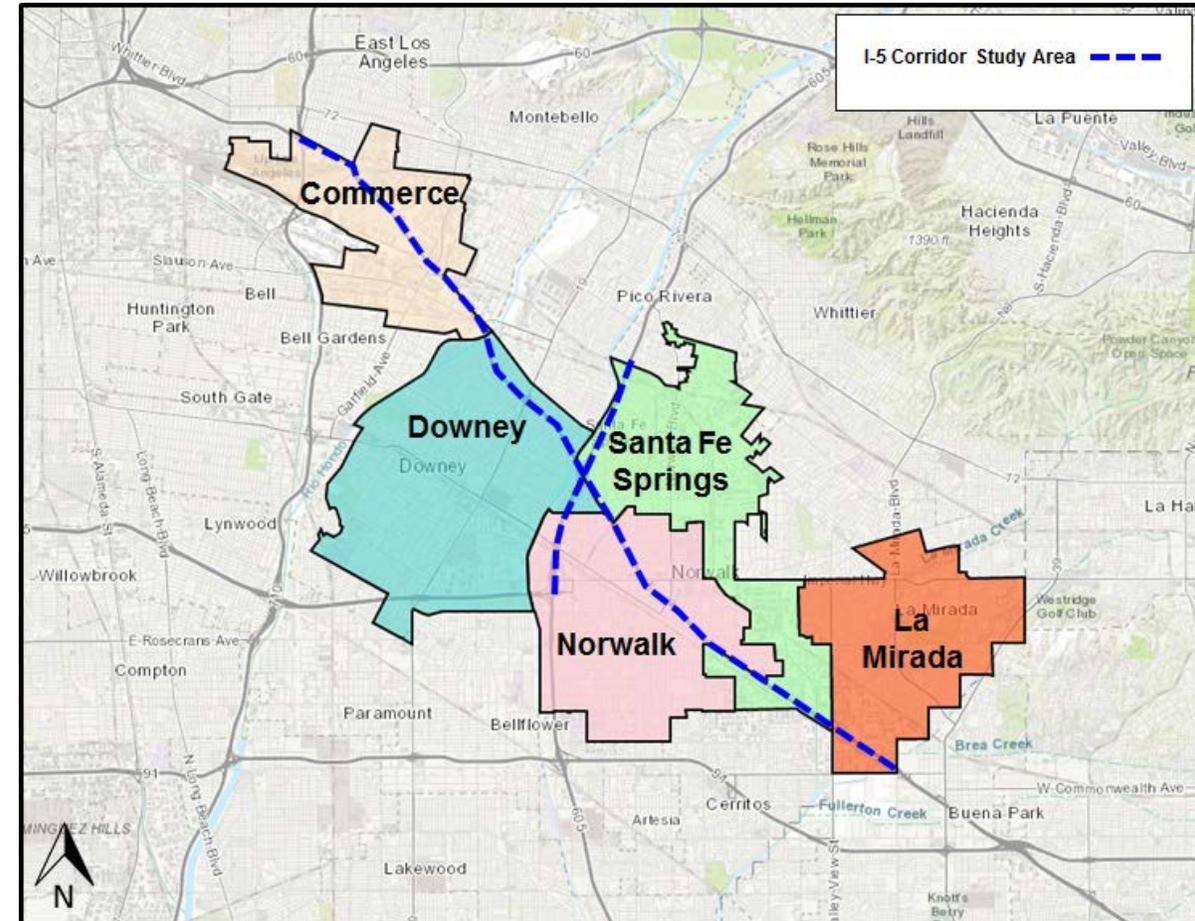
- **STEP 1 – EIFD/CRIATEchnical Screening Application**

- **STEP 2 – Pilot Project Analyses**

- 1) Placentia Old Town & TOD / Packinghouse District
- 2) San Pedro / Wilmington in Los Angeles
- 3) Santa Ana Civic Center Revitalization
- 4) West Carson in Unincorporated Los Angeles County
- 5) **West Santa Ana Branch Transit Corridor**
- 6) **Interstate 5 Corridor**
- 7) Vermont Transit Corridor in Los Angeles
- 8) Long Beach Midtown
- 9) Imperial County and Riverside County Salton Sea

- **STEP 3 – Regional Stakeholder Outreach and Coordination**

# SCAG Pilot Projects in the Gateway Region: WSAB Transit Corridor & I-5 Corridor



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## CASE STUDIES

1. La Verne
2. Placentia
3. Redondo Beach

# CASE STUDY #1: CITY OF LA VERNE – L.A. COUNTY’S FIRST EIFD!

## EIFD Status:

- Fully adopted on October 30th, 2017: City of is lead public agency
  - First in LA County
- LA County resolution of participation expected for Board of Supervisor approval in Summer 2019 (via amendment)
  - If Board approves, will be first EIFD with County Participation

## District Location:

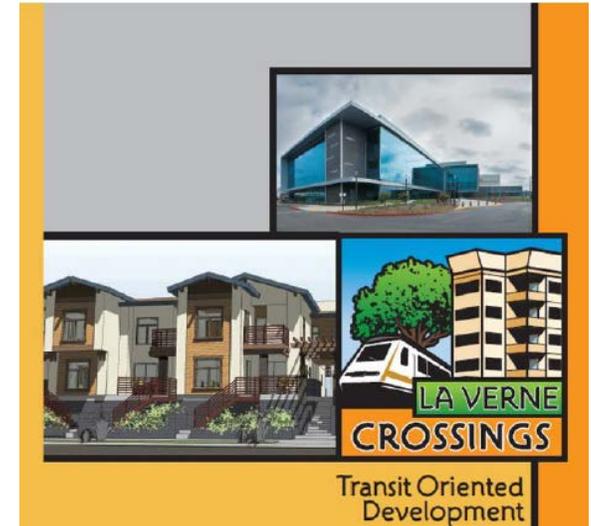
- Close to University of La Verne, LA County Fairplex & future Gold Line Station
- ~110 acres primarily adjacent to La Verne’s Old Town Specific Plan Area

## La Verne’s EIFD Goals:

- TOD & Sustainability District
- Induce private development around future gold line station
- Access Statewide sustainable funding sources such as Greenhouse Gas Reduction Fund (GGRF), Measure M and Housing Funds

## Public Improvements and Private Projects:

- Mixed-use housing, hotel, retail and event space
- Station improvements and infrastructure next to Foothill station
- Sustainability improvements to commercial and industrial structures



# LA VERNETOD EIFD MAP



# LA VERNE EIFD TAX INCREMENT PROJECTIONS

## Assumptions:

- Kosmont used initial 5, 10 and 20 year development projections and infrastructure needs to estimate tax increment revenues

City of La Verne Preliminary Assessed Value Projections				
Development Type	Units		Projected AV/Unit/SF	Projected Total Assessed Value
Hotel	150	Keys	\$100,000	\$15,000,000
Retail	110,000	SF	\$250	\$27,500,000
Business Park	60,000	SF	\$100	\$6,000,000
Apartments	920	Units	\$175,000	\$161,000,000
Condominiums	915	Units	\$300,000	\$274,500,000
Total Projected AV New Development				\$484,000,000

## Key Initial Findings:

- Project Area current assessed value ~\$63 million
- At year 10, project over \$700,000 in annual TI revenue
- Assessed value could increase to ~\$484 million at buildout (Year 20)



Existing - \$63 million current AV

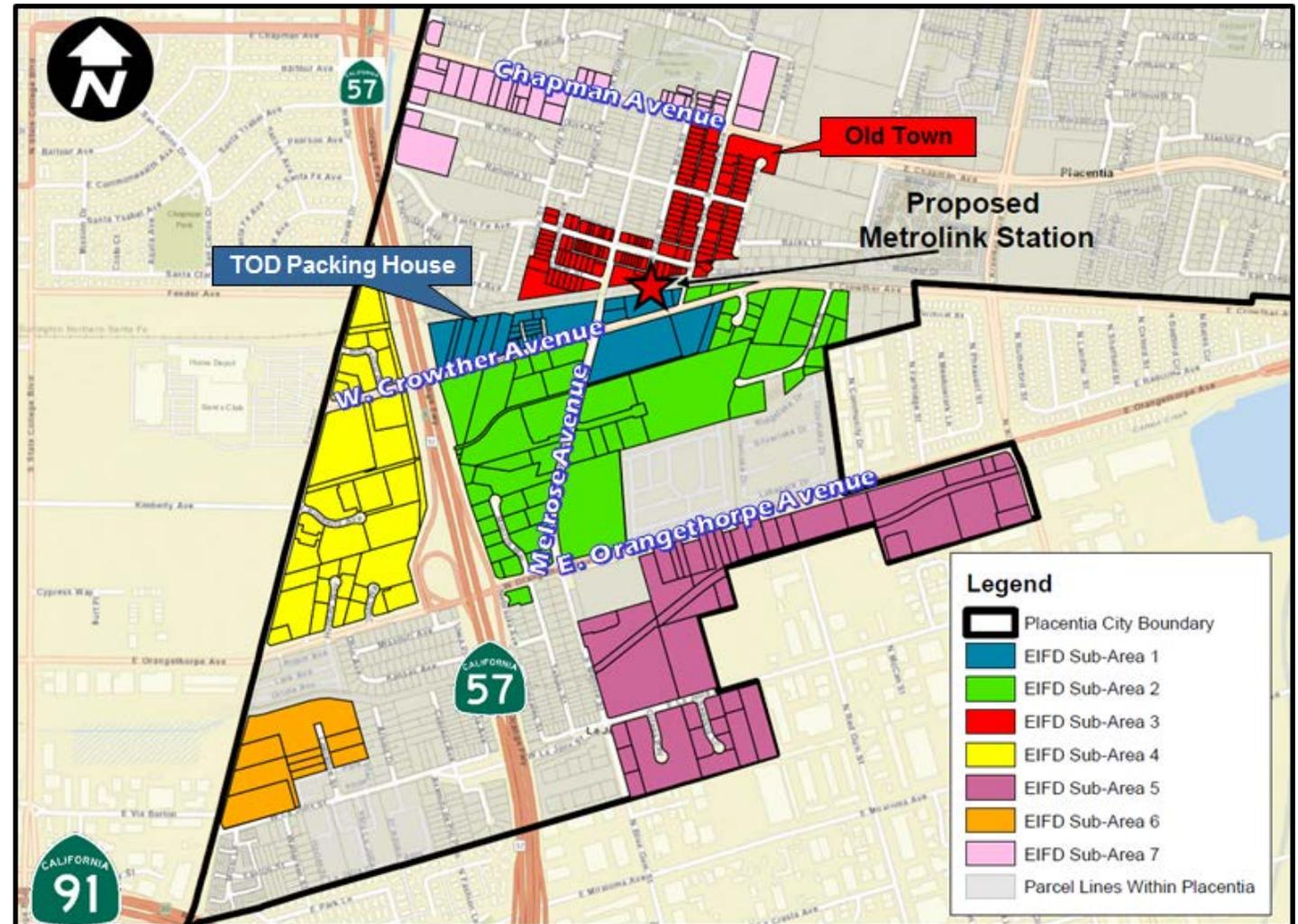


Specific Plan Potential Development

- 2.1mm sf retail, business park, hotel, housing
- Est. AV (Year 10): \$351 million
- Annual TI (Year 10): \$700,000/year

# CASE STUDY #2: CITY OF PLACENTIA OLD TOWN & PACKINGHOUSE SCAG PILOT PROJECT & FIRST POTENTIAL CITY/COUNTY DISTRICT

- ✓ **City of Placentia** Resolution of Intention February 2019 – **Adopted**
- ✓ **County of Orange** Resolution of Intention April 2019 – **Adopted**
- ✓ Draft Infrastructure Financing Plan circulated to public May 2019
- ✓ City Council and County Board final approval targeted June 2019
- ✓ **Final PFA board approval and formation targeted July/Aug. 2019**



# PLACENTIA EIFD OVERVIEW

## EIFD Status:

- City and County have adopted Resolutions of Intention
- Draft Infrastructure Financing Plan (IFP) prepared and distributed for public review
- City Council, County Board, final PFA approval and district formation targeted in June/July 2019

## District Location:

- 300+ acres surrounding proposed Metrolink station,
- Old Town Placentia and TOD Packing House district
- ~\$365M in existing assessed value (approx. 6% of City total \$6.1B)

## Placentia EIFD Goals:

- Induce private development around future station (first Metrolink station in Orange County in ~10 years)
- Regional benefit: Reduce traffic on 91 Freeway (2nd most congested freeway in the nation), convenient transit to local universities, GHG/VMT reduction
- \$60M in net fiscal impact to City, \$32M in net fiscal impact to County, 1,600+ housing units, 1,150+ permanent jobs

## Public Improvements and Private Projects:

- ~\$460M in new development value (TOD mixed-use housing, hotel, commercial)
- Infrastructure needs: Old Town Streetscape Master Plan, Metrolink station transit-supportive infrastructure (e.g. bicycle / pedestrian connectivity, sidewalks, surveillance, landscaping, signage, lighting, underground utilities, beautification, public safety access), parking / roadway / circulation, open space, water / sewer capacity improvements
- Cost estimates ~\$8 million

# PLACENTIA EIFD: BEFORE



# PLACENTIA EIFD: AFTER



# CASE STUDY #3: CITY OF REDONDO BEACH – AES SITE

## Status and Location:

- 50.1 acre site (“AES Site”) adjacent to waterfront; significant contamination from prior uses
- AES Redondo Beach power plant not authorized to operate beyond December 31, 2020 – AES actively marketing site and in discussions with potential buyer
- City of Redondo Beach interested in redevelopment of AES Site:
  - Public Investment – regional coastal park, including wetlands restoration and recreational facilities
  - Private investment – resort hotels, retail, restaurant(s), waterfront parking, site clean-up

## Redondo Beach EIFD Goals:

- Private investment drives increase in assessed value, which can be captured by District through property tax revenues
- Infrastructure improvements, utility relocation and clean-up are eligible for District expenditures (also pursuing Prop 68 grant funds)
- Estimated 386 jobs (280 construction) – 30% local hire, 10% targeted workers
- City Council adopted Resolution of Intention April 2019
- County reviewing EIFD application for participation



AES power plant not authorized to operate beyond 12/31/2020

# EIFD PLANNING AREA



- Critical Infrastructure (\$30-50m m):
- Parkland acquisition
  - Utility improvements
  - Streets / circulation / coastal access
  - Parking for local businesses

No. Property Owners	6 - 9
Land Area	50 - 90 acres

# HYPOTHETICAL FUTURE DEVELOPMENT

- Kosmont ran a baseline property tax analysis to determine District revenue based on potential future development
- Development & assessed value ("AV") assumptions:

Redondo Beach EIFD Area Development Assumptions			
Development Type	SF / Units / Keys	Assessed Value (AV) Per SF / Unit / Keys	Estimated AV at Buildout
Coastal Park	N/A	N/A	Exempt
Hotel	300 Keys	\$465,000 – 580,000/Key	\$139.5 – 174.0 MM
Restaurant	30,000 SF	\$720 - 900/SF	\$21.6 – 27.0 MM
Retail	20,000 SF	\$720 - 900/SF	\$14.4 – 18.0 MM
Estimated Total			\$175.5 – 219.0 MM

Note: AV at buildout values in 2018 dollars

- AV was then used to calculate potential property tax revenue to the City and County based on property tax formulas

# EIFD INFRASTRUCTURE – POTENTIAL PROJECTS (~\$30-50 million)



Wetlands restoration and regional park



Remove utility visual blight



Recreational and cultural amenities



Improve bike/ped connections and beach access

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# WHAT'S NEXT FOR SUSTAINABILITY & HOUSING DISTRICTS?

SB 5: State contribution to EIFD/CRIA/AHA via ERAF

SB 128: Would eliminate 55% EIFD bond issuance vote

AB 11: Affordable Housing and Infrastructure Agency (new district)

More housing bills...

“We also want to pair EIFDs with the Opportunity Zones. This is the Big Idea.”

— Gov. Newsom  
January 10<sup>th</sup>, 2019  
2019-2020 State Budget Release



### Gov. Newsom to Streamline EIFDs and OZs

- Pair EIFDs with OZs leverage earlier OZ investment with longer term tax increment (Budget, SB 128)
- Conform CA Income Tax with fed. income tax sched. for low/mod. housing & Greentech (Budget)
- CEQA Streamlining for certain OZ projects to mitigate timing challenges (SB 25)

# THANK YOU – ANY QUESTIONS?



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