



AGENDA

CITY COUNCIL - SPECIAL MEETING (WORKSHOP)

CITY OF BANNING, CALIFORNIA

October 22, 2024
4:00 p.m.
In Chambers

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

The following information comprises the agenda for the regular meeting of the Banning City Council, a joint meeting of the City Council and Banning Utility Authority, and the Banning City Council sitting in its capacity as the Banning Successor Agency Board.

Per the City of Banning Manual of Procedural Guidelines, matters taken up by the Council before 10 p.m. may be concluded, but no new matters shall be taken up except upon a majority vote of the council members present and voting. Such an extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

1. **CALL TO ORDER**
2. **PUBLIC COMMENTS** - *Agenda Items Only*
3. **WORKSHOP**
 - 3.1 Discussion of Creating a Community Revitalization Investment Authority (CRIA) to Operate within the Community
Recommendation: Discussion of the CRIA.
4. **ADJOURNMENT**

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220, at least 24 hours in advance of the meeting.


Caroline Patton, Administrative City Clerk
Secretario adjunto de la ciudad

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Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

Non-Agenda Items

Any member of the public may address this meeting of the City Council on any item which does not appear on the regular meeting agenda but is of interest to the general public and is an item upon which the City Council may act. A three-minute limitation shall apply to each member of the public and no member shall be permitted to share their time with any other person. No action shall be taken, nor discussion held by the City Council, on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of §54954.2 of the Government Code.

Special Assistance/Accessibility Requests

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City Clerk's Office | 951-922-3102 | CityClerks@banningca.gov
99 East Ramsey Street, Banning, California 92220



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Caroline Patton, Administrative City Clerk

MEETING DATE: October 22, 2024

SUBJECT: Discussion of Creating a Community Revitalization Investment Authority (CRIA) to Operate within the Community

RECOMMENDATION:

Discussion of the CRIA.

BACKGROUND:

The Community Revitalization and Investment Authority (CRIA) in California, established by Assembly Bill 2 in 2015, offers several benefits for designated districts. CRIA works by enabling tax increment financing to fund projects within a designated Revitalization Area. As developers and businesses improve properties in the investment area, the higher appraised value results in greater property tax assessment. This increased revenue is then allocated directly to the CRIA for use only within the investment area. The CRIA can be created by a resolution of the governing body of a city or county, and once formed, it can conduct a variety of activities, including funding infrastructure improvements, affordable housing projects, seismic retrofits, property acquisition, tenant improvements, and undertaking brownfield cleanup.

The CRIA is intended to provide a source of tax increment funding for infrastructure and housing in disadvantaged communities, and it does not require a public vote for creation or issuance of bonds. The CRIA's sponsoring jurisdiction can provide a loan to the CRIA in the interim period while the revenue is generated. Overall, the CRIA offers a way to revitalize areas without raising taxes, providing a sustainable way to fund much-needed projects.

Some of the key benefits include:

1. **Increased Funding for Affordable Housing:** CRIAs increase funding for and production of affordable housing in disadvantaged communities, with a mandatory affordable housing set-aside of 25%.
2. **Powers of Eminent Domain:** CRIA's entail the powers of eminent domain for the first 12 years, which can be used to acquire private property for public use with fair compensation to the property owner.
3. **No Public Vote Required:** Unlike some other financing districts, CRIAs do not require a public vote for creation or issuance of bonds, although they are subject to a majority protest at adoption.
4. **Tax Increment Financing:** CRIA's use tax increment funds to finance projects within a designated Revitalization Area, providing a mechanism for funding community improvements and economic development.
5. **Job Creation and Training:** The CRIA program can also lead to job creation and training opportunities through community revitalization and cleanup efforts, as evidenced by grants from the EPA's Brownfields Jobs Training Program.

The process for creating a Community Revitalization and Investment Authority (CRIA) in California involves several steps, as outlined by the California Government Code and various local government resources:

1. **Feasibility Analysis:** Conduct a feasibility analysis to determine if the creation of a CRIA is suitable for the community. This process has been completed.

2. **Community Outreach:** Hold public informational meetings and provide notice of informational meetings to property owners and residents, typically at least 10 days prior to the meeting. City Council has previously completed this process. As a result, Council directed the City Manager to discuss creation of a joint City/County District with Riverside County. Meetings were held with Riverside County staff from 5th District Supervisor Gutierrez' office as well as staff from the County Executive's Office. Riverside County staff expected some additional incentive from the City. The conditions required by the County for partnership in the CRIA would render the CRIA financially infeasible for the City.

3. **Resolution by Governing Body:** A single-member CRIA (City only) may be created by resolution of the governing body. This is the next step required in the process, if Council desires to proceed.

4. **Adoption of Revitalization Plan:** Once formed, the CRIA board adopts a Revitalization Plan, which outlines the activities the CRIA will undertake, such as funding infrastructure improvements, affordable housing projects, seismic retrofits, property acquisition, tenant improvements, and undertaking brownfield cleanup. CRIA funds could be used for implementation of the recently adopted Downtown Revitalization and Complete Streets Plan.

5. **Board Composition:** The CRIA is governed by a board, typically made up of at least 3 members of a legislative body and 2 public members.

JUSTIFICATION:

A Community Revitalization Investment Authority (CRIA) will provide tools to achieve City Council goals of cleaning up the Ramsey Street corridor and creating a vibrant downtown.

FISCAL IMPACT:

CRIA funding capacity is estimated in the range of \$23 to \$46 million in present value terms.

ALTERNATIVES:

N/A

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Sample Resolution - CRIA Formation.docx](#)
2. [Banning CRIA Next Steps 2-13-2024.pdf](#)

SAMPLE RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, CREATING A COMMUNITY REVITALIZATION INVESTMENT AUTHORITY TO OPERATE WITHIN THE COMMUNITY, AND MAKING CERTAIN FINDINGS AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California Legislature approved Assembly Bill 2 (Stats. 2015, c. 319, as amended), and thereby enacted Part 1 (commencing with Section 62000) of Division 4 of Title 6 of the Government Code (the "CRIA Law") to create a planning and financing tool for local governments to address areas characterized by unsafe or unhealthy buildings in which persons live or work, conditions that make the viable use of buildings or parcels difficult, high business vacancies and lack of employment opportunities, and inadequate public improvements, water, or sewer utilities; and

WHEREAS, the CRIA Law authorizes cities to create a public body, corporate and politic known as a "Community Revitalization Investment Authority" ("CRIA") to operate in the community, and to grant the CRIA jurisdiction to carry out a community redevelopment revitalization plan ("Plan") within a community revitalization investment area ("Plan Area"); and

WHEREAS, a CRIA may be created by the adoption of a resolution by the legislative body of a city, and the composition of the CRIA's governing board is comprised of three (3) appointed members of the legislative body, and two (2) appointed members of the public that live or work within the Plan Area; and,

WHEREAS, a CRIA is an "agency" as described in subdivision (b) of Section 16 of the California Constitution for purposes of receiving tax increment revenues, with the powers and duties set forth in Government Code Section 62002, which include, but are not limited to: providing funding to rehabilitate, repair, upgrade, or construct infrastructure; providing for low- and moderate-income housing in accordance with Part 2 (commencing with Section 62100) of Division 4, Title 6 of the Government Code; remediating or removing a release of hazardous substances pursuant to the Polanco Redevelopment Act; providing for seismic retrofits or existing buildings in accordance with applicable laws and regulations; acquiring and transferring real property; issuing bonds in conformity with Article 4.5 (commencing with Section 53506) and Article 5 (commencing with Section 53510 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code; borrowing money, receiving grants, or accepting financial or other financial assistance from the state or federal governments, or any other public agency or private lending institution; making loans or grants for owners of tenants to improve, rehabilitate, or retrofit buildings or structures within the Plan Area; and providing direct assistance to businesses within the Plan Area in connection with new or existing facilities for industrial or manufacturing uses; and,

WHEREAS, following its creation, a CRIA is required to adopt a Plan that includes the elements set forth in Section 62003 of the Government Code, and a CIRA may carry out the adopted Plan within a Plan Area that satisfies the conditions and requirements set forth in subsections (d) or (e) of Section 62001 of the Government Code;

WHEREAS, a CRIA's adoption of a Plan must be considered at three (3) public hearings held at least thirty (30) days apart, and such public hearings must comply with the procedural and substantive requirements set forth in Section 62004 of the Government Code;

WHEREAS, a CRIA formed by a city that created a redevelopment agency that was dissolved pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health & Safety Code may not become effective until the successor agency of the former redevelopment agency has adopted findings of fact that satisfy the requirements of subsection (b)(3) of Section 62001 of the Government Code; and,

WHEREAS, the City of Banning is a California general law city located in Riverside County; and,

WHEREAS, following the dissolution of the Banning Redevelopment Agency, the City has had difficulty remediating blighted conditions existing throughout the community, encouraging private investment and development in the area, attracting new to and retaining existing businesses in the community, funding vital development and infrastructure improvements, and providing affordable housing opportunities and programs for its residents, among other things; and,

WHEREAS, the City Council of the City of Banning therefore desires to create a CRIA to operate within its jurisdiction boundaries to address these issues, to support the economic revitalization of the community, and to address geographical areas within its boundaries marked by deteriorated buildings, conditions that make the viable use of buildings or parcels difficult, high incidents of business vacancies and unemployment, and inadequacies in public improvements and utilities; and,

WHEREAS, contemporaneously with adoption of this Resolution, the Successor Agency of the Former Banning Redevelopment Agency has adopted a Resolution making the findings required by subsection (b)(3) of Section 62001 of the Government Code; and,

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The foregoing recitals are true and correct and incorporated herein this Resolution as substantive findings.

SECTION 2. Pursuant to Part 1 (commencing with Section 62000) of Division 4 of Title 6 of the Government Code, the City Council hereby creates, and authorizes and declares the existence of, a community revitalization investment authority within the City of Banning, to be known as the Banning Community Revitalization Investment Authority, a public body, corporate and politic (the "Authority").

SECTION 3. The Authority is hereby authorized and directed to prepare and adopt a community revitalization and investment plan that complies with and satisfies the requirements of Section 62003 of the Government Code ("Authority Plan"), and is further authorized and directed to implement and carry out said plan within a community revitalization investment area that complies with and satisfies the requirements of subdivision (d) of Section 62001 of the Government Code ("Authority Plan Area"). The Authority is authorized and directed to take any and all actions necessary and appropriate to identify, prepare, and adopt the Authority Plan and Authority Plan Area.

SECTION 4. The City Council hereby appoints the following three (3) members of the City Council to the Governing Board of the Authority Governing Board ("City Council Members"):

Member 1:
Member 2:
Member 3:

SECTION 5. The City Council Members shall appoint two (2) public members to the Governing Board of the Authority, and such persons shall either reside in or work within the Authority Plan Area ("Public Members"). City staff is hereby authorized and directed to prepare a draft Authority Plan ("Draft Plan") for consideration by the Authority, and between publication of the notice for the first public hearing required by subsection (c) of Section 62004, and the date of the first public hearing on the Authority Plan, the City Council Members shall accept nominations for and make appointments of the Public Members to the Governing Board of the Authority. Such nominations and appointments of the Public Members shall be completed in the manner directed by the City Council Members. The Authority may, on its own initiative, or it shall upon the direction of the City Council, adopt rules and regulations governing the manner and method of future appointments to the Governing Board of the Authority, as well as the terms of office of members of the Governing Board of the Authority.

SECTION 6. Following its adoption of a Plan in accordance with Section 62004 of the Government Code, the Authority is hereby authorized and empowered to do all of the actions and activities authorized by the CRIA Law, including but not limited to those set forth in Section 62002 of the Government Code.

SECTION 7. This Resolution is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that the actions authorized by this Resolution will not have an impact on the environment, in that the Authority's adoption of the Authority Plan and Authority Plan Area are subject to future discretion of the Governing Board of the Authority, and the Authorities contents and scope of the Authority Plan and Authority Plan Area are too speculative at this time to enable environmental review.

SECTION 8. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this _____.

Alberto Sanchez, Mayor
City of Banning

ATTEST:

Caroline Patton, Administrative City Clerk
City of Banning

APPROVED AS TO FORM:

Serita R. Young, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Caroline Patton, Administrative City Clerk of the City of Banning, California, do hereby certify that the foregoing Sample Resolution, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the _____ by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Caroline Patton, Administrative City Clerk
City of Banning, California



Community Revitalization and Investment Authority (CRIA) Next Steps for Implementation

February 13, 2024

**Prepared by:
Kosmont Companies**

Executive Summary

- City of Banning has potential for private sector investment and development across multiple opportunity site areas in the City
- Investments in critical infrastructure and property assemblage, particularly in the Downtown / Ramsey Street area, are needed to support investment and economic revitalization
- A public/private financing strategy that includes **Tax Increment Financing (TIF)** financing in the form of a **Community Revitalization and Investment Authority (CRIA)** has been evaluated by staff and consulting firm Kosmont to be well-suited to capture value from new development to fund acquisition and infrastructure costs, particularly due to eminent domain authority of CRIA
- CRIA funding capacity is estimated in the range of **\$23 to \$46 million** in present value terms (25% of funding being set aside for affordable housing uses, or **\$6 to \$11 million**)

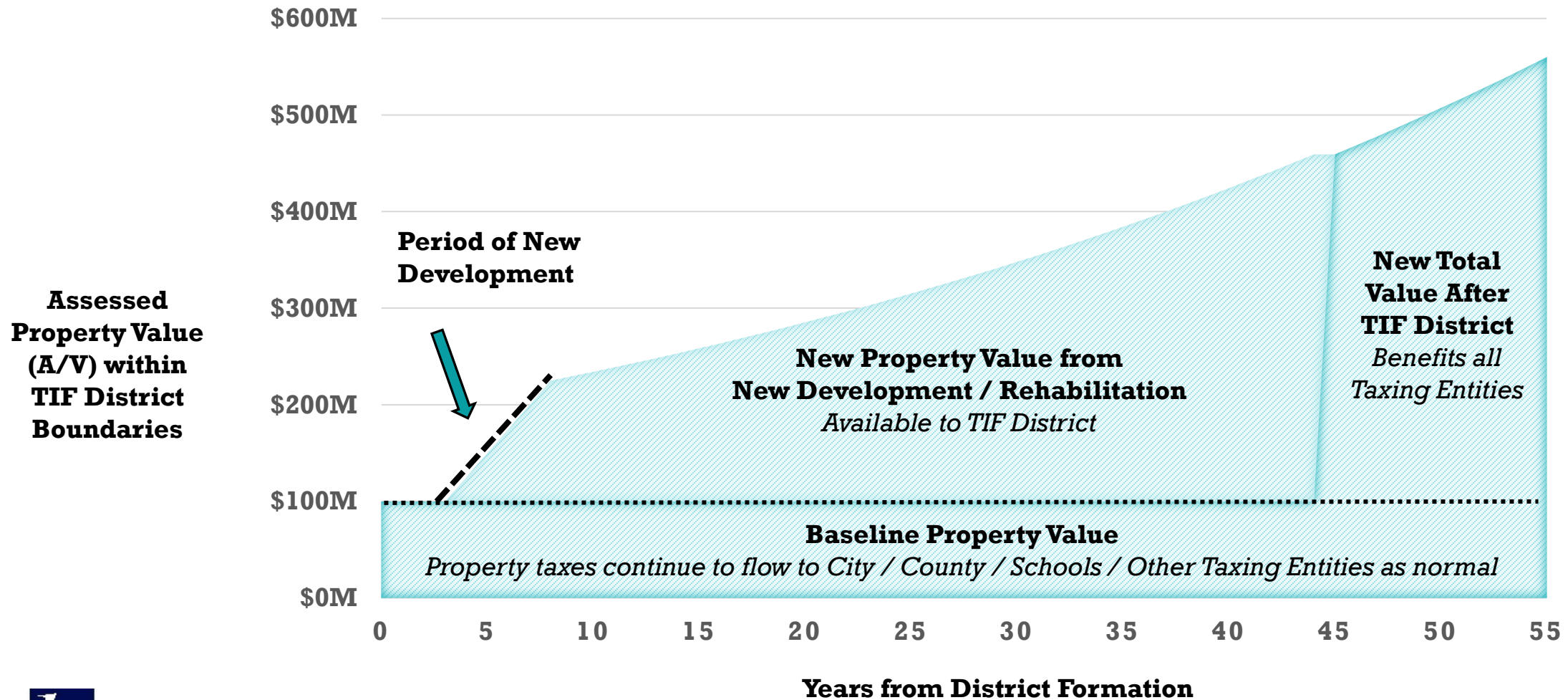
Executive Summary (Continued)

- City staff and consultants have had multiple discussions with County of Riverside staff and elected officials, and the conditions required by the County for partnership in the CRIA would render the CRIA financially infeasible for the City
- It is thus suggested that the City proceed with CRIA implementation without the County
- Purpose of today's meeting is to formally create the CRIA entity and appoint City Councilmembers to the CRIA governing board
- Next steps include drafting the guiding CRIA Plan, followed by a set of public meetings and hearings to present and vet the CRIA Plan with the community
- Completion of the CRIA formation process is anticipated in the Fall of 2024

Outline

1. Overview of TIF / CRIA
2. Banning CRIA Boundary and Strategic Considerations
3. Targeted Property Assembly Activities and Infrastructure Projects
4. Financing and Funding Alternatives
5. Next Steps

What is Tax Increment Financing (TIF) – Not a New Tax



CRIA Fundamentals

Term	30 years to issue debt; 45 years to repay
Governance	Public agency separate from the city, county that created it; implements governing document (CRIA Plan)
Eligibility	City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
Approvals	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt
Eligible Projects	Infrastructure, affordable housing, remediation, acquire and transfer property (incl. via <u>eminent domain</u>), loans and grants to property owners and businesses; 25% affordable housing set aside

Does NOT increase property taxes

CRIA versus Former Redevelopment Agencies

Sample of Similarities and Differences

	Former RDA	CRIA
Eligible Use of Funds	• Infrastructure and affordable housing • Market-rate housing • Parcel assembly • Tax and other private business / developer subsidies, incl. golf courses, casinos, big box retail, auto malls	• Infrastructure and affordable housing • Market-rate housing • Parcel assembly • Assistance to businesses • Assistance not allowed for golf courses, casinos, big box retail, auto malls
Eminent Domain / Condemnation	• Allowed	• Allowed for first 12 years of CRIA lifetime
Eligible Areas	• Must qualify as “blighted” with loose definition	• “Blight” defined quantitatively
Governance	• City Council or County Board • School entity participation	• CRIA Board, including public members (no school entities)
Formation	• Vote of governing body, limited ongoing review	• 3 public hearings, majority protest opportunity, annual review required, “check-in” at 15 years post-formation

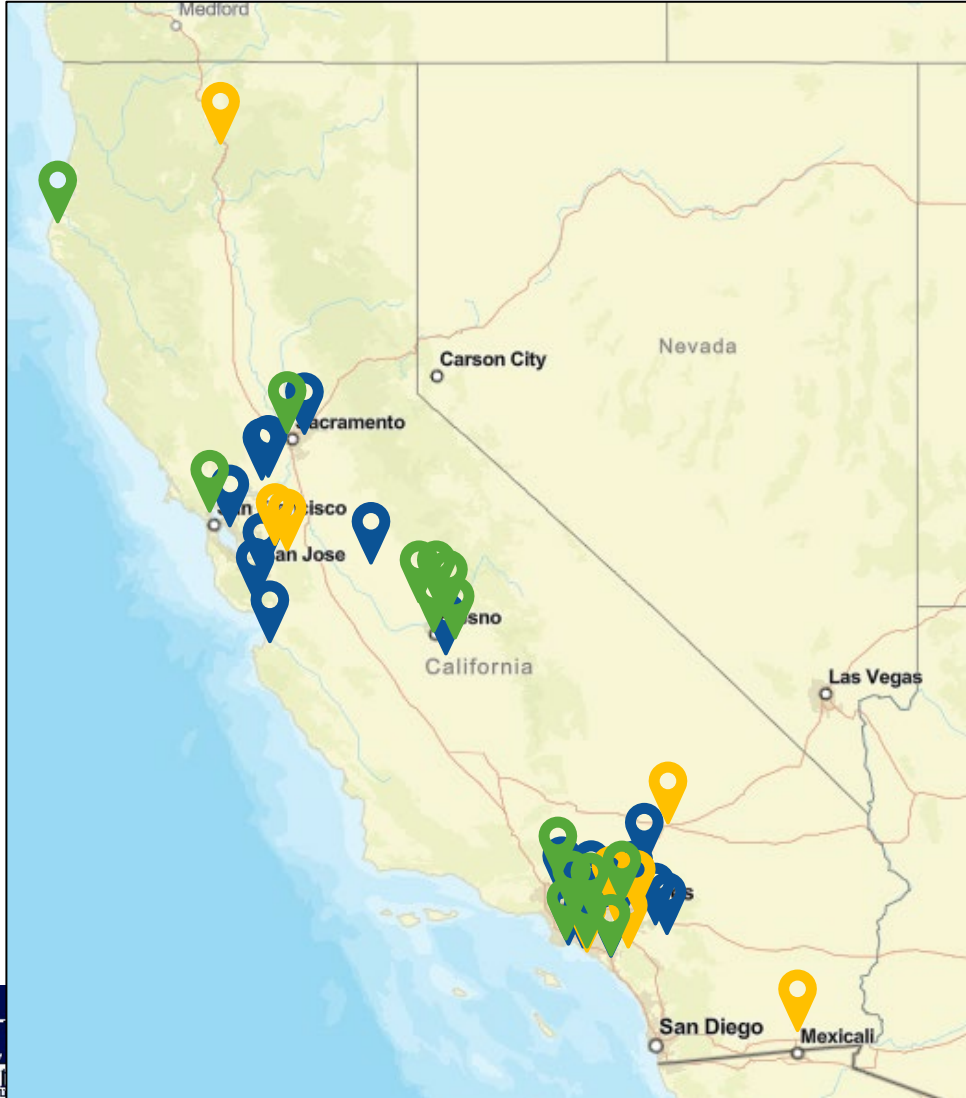
Why are Public Agencies Authorizing TIF Districts?

1. Return on Investment: Private sector investment induced by district commitment accelerates growth of **net fiscal revenues**, **job creation**, **housing production**, **essential infrastructure improvements**
2. Ability to attract additional funds / other public money (“OPM”) – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)
3. Eminent domain authority (specific to CRIA)

TIF Districts in Progress

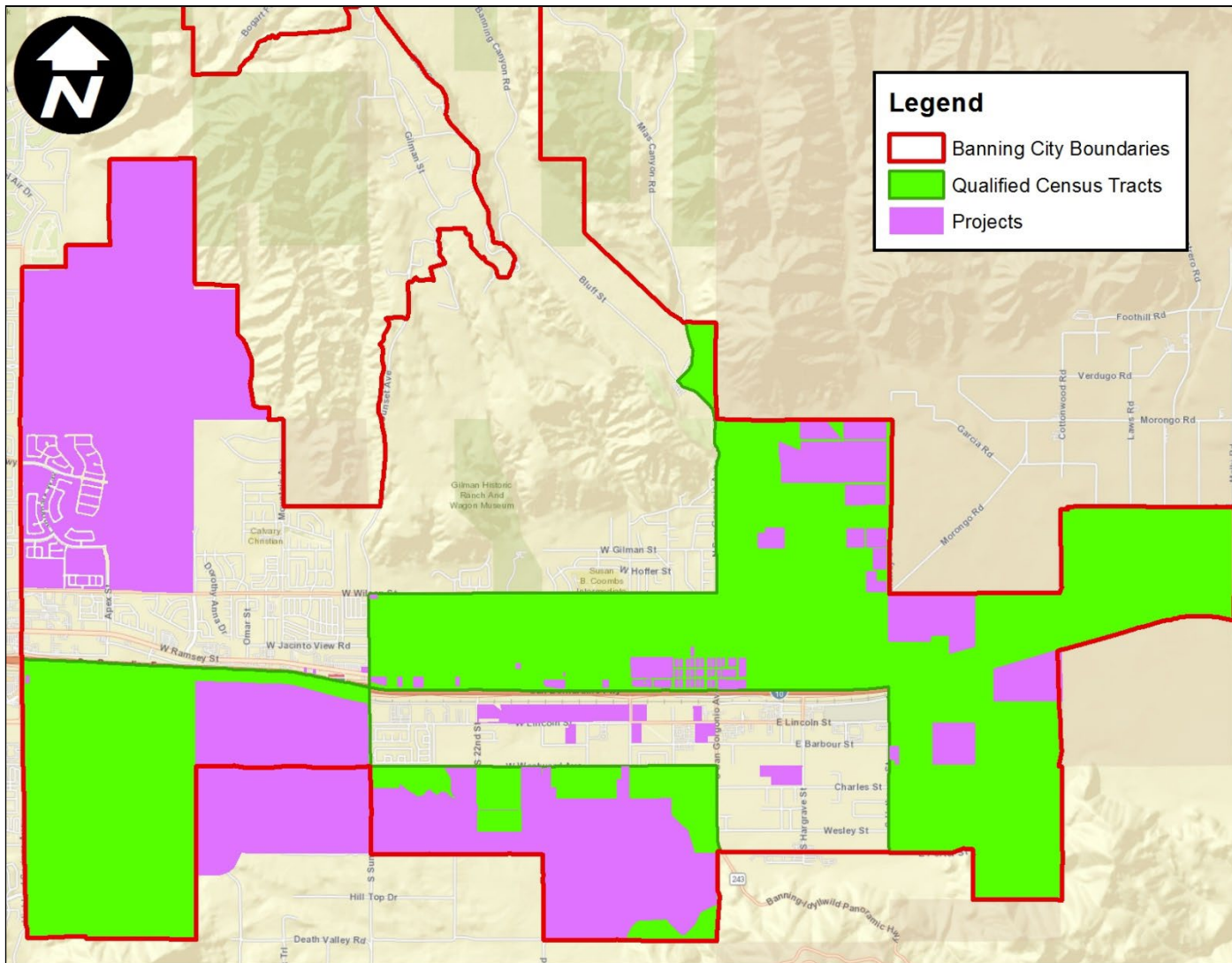
Statewide

(Partial List)



Jurisdiction	Purpose
Apple Valley	Industrial and housing supportive infrastructure
Banning	Downtown revitalization, industrial infrastructure
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Citrus Heights	Mall reimagination
Covina	Downtown housing and blended use supportive infrastructure
Fairfield	Downtown, housing, and transit-supportive infrastructure
Fresno	Downtown, housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Indian Wells	Housing and tourism-supportive infrastructure
Imperial County	Industrial, renewable energy, and housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach	Economic empowerment and affordable housing
Los Angeles (Downtown, San Pedro, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County Uninc. West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Water, sewer, roads and other housing infrastructure
Modesto + Stanislaus County	Downtown, housing, and recreation infrastructure
Mount Shasta + Siskiyou County	Rural brownfield mixed-use infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Oakland	Affordable housing and infrastructure
Ontario	Industrial and housing infrastructure
Palmdale + L.A. County	Housing and commercial infrastructure
Pittsburg	Housing, commercial, and tech park infrastructure
Placentia + Orange County	Housing and TOD infrastructure
Rancho Cucamonga	Blended use and connectivity infrastructure
Redlands	Education related and blended use infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Affordable housing and infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Jose	Affordable housing and TOD infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Cruz	Downtown and blended use infrastructure
Santa Fe Springs	Blended use infrastructure
Selma	Water, sewer, and other housing supportive infrastructure
Vacaville	Housing and business park infrastructure
Yucaipa	Housing and commercial infrastructure
Fully Formed In Formation Process Under Evaluation	

CRIA Qualification Analysis + *Economic Development Opportunity Sites*

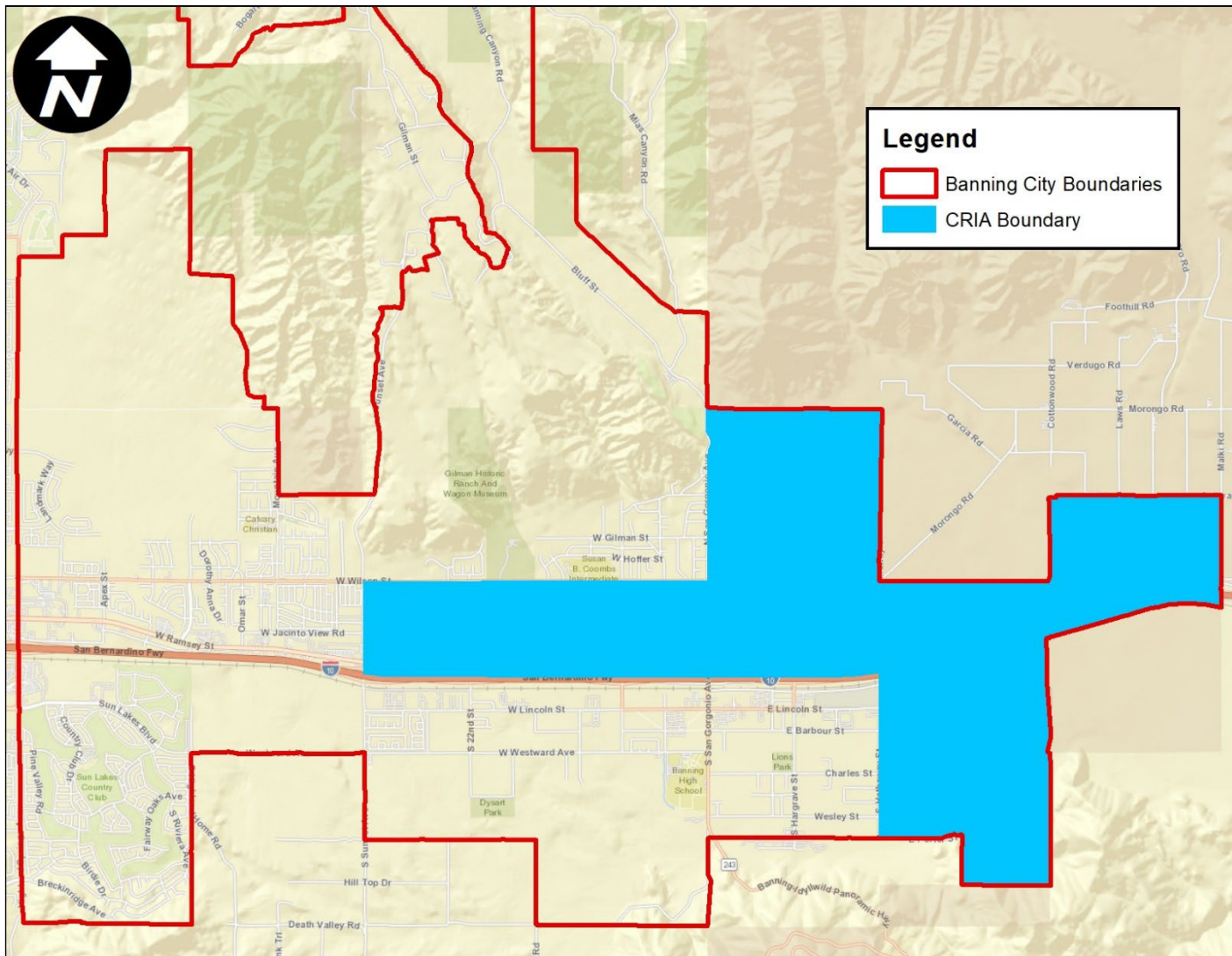


- Income
- Unemployment
- Crime
- Planned and proposed projects

Source: City of Banning, ESRI (2023)

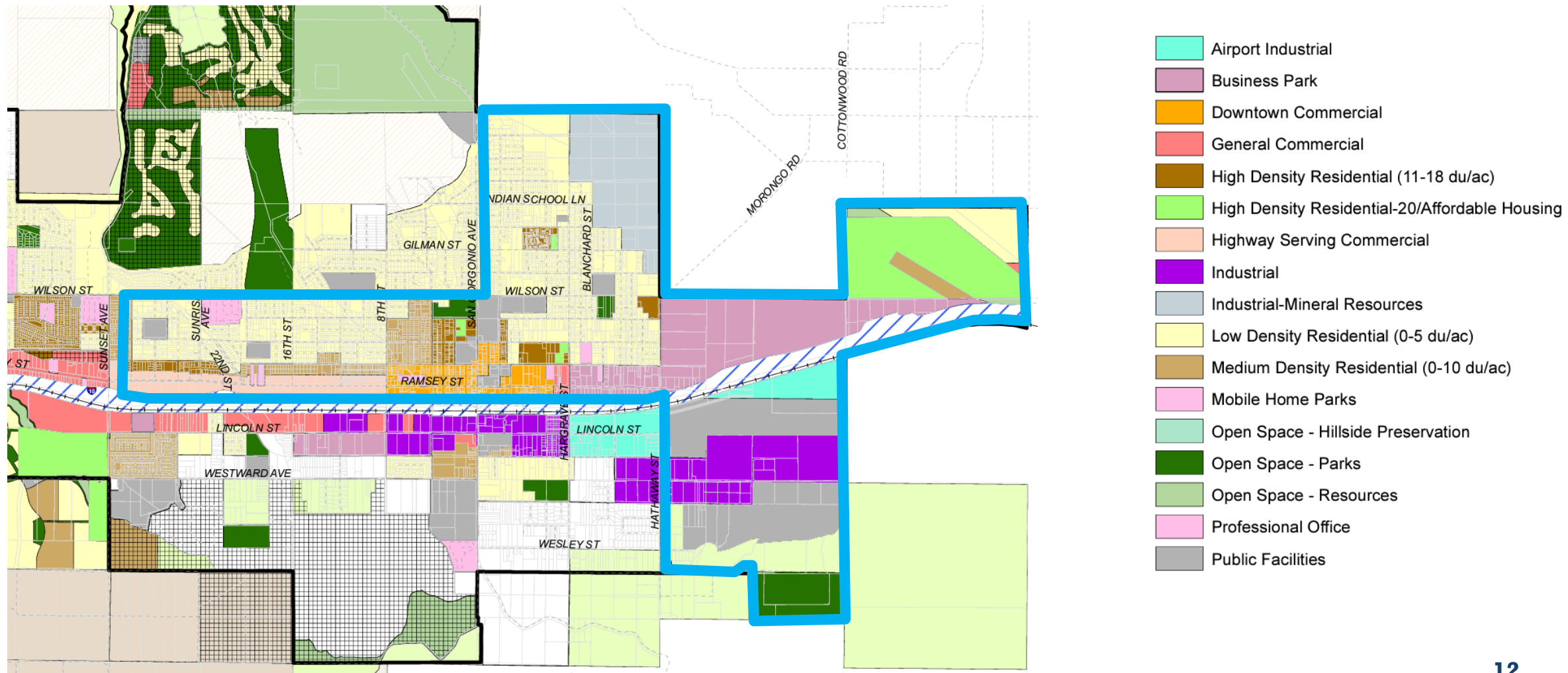
Draft CRIA Boundary

Refined Iteratively Over the Last 12 Months



- Approx. 3,226 acres (22% of Citywide acreage)
- Approx. \$766.9M in existing assessed value (32.7% of Citywide A/V)
- *(100% within the City of Banning)*

CRIA Boundary Land Uses



Source: City of Banning, General Plan and Zoning Map (2021)

Potential Targeted Improvements

- Acquisition / assemblage of underutilized parcels for redevelopment, particularly along Ramsey Street
- Development off-site infrastructure (e.g., water / sewer / storm drain, other utilities)
- Roadway, streetscape improvements
- Affordable housing
- Parks and open space

Future Development Assumptions

Absorption Assumed over 30 Years

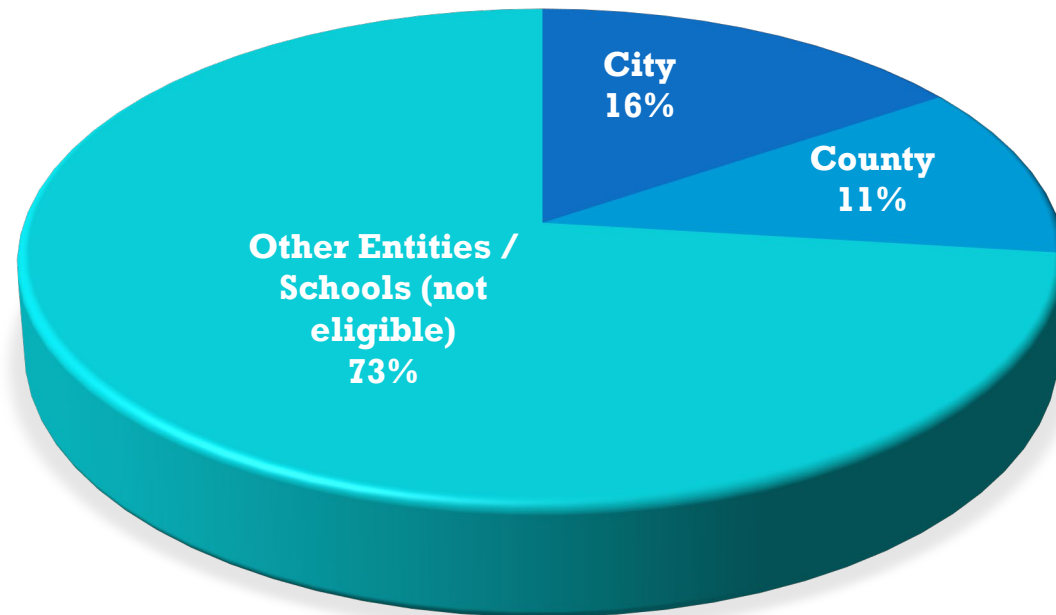
Area	# SF or Units	Estimated AV Factor	Estimated Total AV at Buildout
Residential	600 units	\$325,000 per unit	\$195 million
Industrial	3,000,000 SF	\$185 PSF	\$555 million
Cannabis/Flex Space	65,000 SF	\$165 PSF	\$11 million
Grandave Studios	225,000 SF	\$165 PSF	\$37 million
Retail	80,000 SF	\$250 PSF	\$20 million
Total New Development Assumed within CRIA Study Area			\$818 million

Potential Partner Agencies

Property Tax Distribution

- Primary non-school recipients and potential contributors of property tax are **City of Banning** and **County of Riverside**
- City receives approx. **16%** of every \$1 collected in property taxes within the CRIA Study Area
 - City additionally receives equivalent of approx. **11%** of property tax in lieu of MVLF, also available to CRIA
- County receives approx. **11%**
 - County additionally receives equivalent of approx. **9%** of property tax in lieu of MVLF, also available to CRIASchool-related entities cannot participate

**Weighted Average Property Tax Distribution
within CRIA Study Area**



Scenario Analysis Summary Matrix

Boundary Scenario #2

CRIA Revenue Contribution Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	45-Year Present Value @ 3%	25% Affordable Housing Set-Aside
A) City 25% Scenario	\$2,428,000	\$7,593,000	\$22,950,000	\$5,738,000
B) City 50% Scenario	\$5,501,000	\$15,831,000	\$45,900,000	\$11,475,000

City contribution includes contribution from both AB8 + MVLF in-lieu property tax.

* Bonding capacity assumes Year 5 is first bond issuance for CRIA. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 150% debt service coverage. 6.5% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000.

Source: Kosmont Financial Services (KFS), registered municipal advisor.

Nominal vs. Present-Value Dollars

Revenue Allocation Scenarios	Present Value Dollars <i>(3% Discount Rate)</i>	Nominal 2024 Dollars
City 25% Scenario	\$23M	\$52M
City 50% Scenario	\$46M	\$103M

Potential Cash Flow / Debt Issuance Approaches

- Kosmont Financial Services is in active discussions with public finance underwriters regarding CRIA debt issuances in other jurisdictions
- Underwriters have proposed several approaches for the leverage of CRIA tax increment for accelerated debt issuance (e.g., 2-3 years from CRIA formation), for example:
 - a) CRIA increment only
 - b) Overlapping CRIA and CFD (CFD Backstop) – landowners / developers must be willing to pay CFD special taxes in the short term (e.g., 5-10 years) until CRIA increment reaches a level to cover debt service
 - c) CRIA increment with City or County general fund backstop
- There are advantages and disadvantages with each approach (e.g., upfront proceeds available, public agency risk, cost of capital)
- Additional alternatives are available if private sector partners (e.g., landowners / developers are willing to advance infrastructure funding in exchange for reimbursement from CRIA proceeds)

CRIA Helps Attracts Other Funding

Communities with CRIAs are more likely to win state grant funding sources

Federal & State Sources

- Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC)
- Prop 1 bond funds / Prop 68
- SB 1 Road funds
- SB 2 Transfer Tax funds
- Federal DOT / EPA / EDA funding



Other Potential Funding Sources

- Development Agreement / impact fees
- Benefit assessments (e.g., contribution from CFD)
- Private investment

City “Return on Investment”

- Implementation of regional economic development policy objectives, including affordable housing, community revitalization in a Disadvantaged Community, quality of life improvement
- Jobs and wages from both temporary construction activities and ongoing operation of new development, including **2,400+ permanent new jobs**
- Acceleration of development and related fiscal revenues: **\$24.1 million** in present value **fiscal benefit** for City General Fund over 45 years, net of tax increment contribution to EIFD, and net of estimated fiscal expenditures (45-year, 25% City allocation example)

Fiscal ROI – Summary of Potential Net Fiscal Impacts

Net of 25% Increment Contribution to Banning CRIA

	Annual (Stabilized Year 20)	Year 0-45 Nominal Total	Year 0-45 Present Value @ 3.0%
City of Banning			
Estimated Fiscal Revenues (Net of CRIA Allocation)	\$4,445,310	\$205,601,200	\$89,224,300
Estimated Fiscal Expenditures	\$3,083,000	\$158,519,500	\$65,168,600
Estimated Net Fiscal Impact to City	\$1,362,310	\$47,081,700	\$24,055,700

Potential CRIA Formation Schedule

Target Date	Task
TODAY: Feb 13, 2024	a) City adopts resolution creating the CRIA entity
Feb-Mar 2024	b) CRIA drafts Community Revitalization and Investment Plan (CRIA Plan)
Apr 2024	c) Distribute <u>draft</u> CRIA Plan to property owners and residents within CRIA boundary
May 2024	d) Initial CRIA public meeting to present the draft CRIA Plan to the public and property owners
Jul 2024	e) CRIA Public Hearing #1 to hear written and oral comments but take no action
Jul or Aug 2024	f) City Council considers resolution approving the CRIA Plan and allocation of property tax increment to CRIA
Aug 2024	g) CRIA Public Hearing #2 to hear additional comments and take action to modify or reject Plan, if appropriate
Sept 2024	h) CRIA Public Hearing #3 to consider oral and written protests and take action to terminate proceedings or adopt CRIA Plan by ordinance

- Tax increment allocation begins fiscal year following district formation
- Debt issuance, if desired, would occur after a stabilized level of tax increment has been established

Next Steps / Action Items

- For Tonight:
 - a) City Council to consider Resolution forming the CRIA entity
 - b) Successor Agency to consider Resolution making findings of pre-requisites to CRIA formation
- Staff and consultants to prepare draft CRIA Plan, distribute publicly via mail and website, convene a public meeting of the CRIA to present the draft CRIA Plan (targeting May 2024)

THANK YOU

Questions?

Kosmont Companies

1601 N. Sepulveda Blvd. #382 Manhattan Beach, CA 90266

Ph: (424) 297-1070 | Fax: (424) 286-4632

www.kosmont.com

Disclaimer

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the City are included for informational purposes only and are not intended to be to be “advice” within the context of this Analysis.

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