

San Bernardino Investment Playbook

Project Details: Enhanced Infrastructure Financing District

The City of San Bernardino will establish a citywide Enhanced Infrastructure Financing District (EIFD) in order to raise funds for needed public improvements throughout the City. EIFD funding can be used for any public improvements that provide community benefit and have an expected useful life of 15 years or more. Improvements under consideration include:

- Street improvements, such as re-paving; replacement of curbs, gutters, and sidewalks
- Park improvements, such as landscaping and irrigation system improvements, playground equipment
- Improvements for public libraries, community centers, public safety facilities, and other City-owned facilities

RATIONALE

Public streets, parks, and facilities need regular improvements and maintenance in order to remain usable and attractive. Unfortunately, deferred maintenance due to lack of funds has undermined the value and usability of these facilities, to the detriment of area residents.

OBJECTIVES

- Address longstanding and future infrastructure needs
- Improve public perception and quality of life for current and prospective residents and businesses

ADDITIONAL DETAILS

Revenue under the program will be established through the collection of a tax increment on properties within the specified boundary map. Once sufficient revenue has been collected (typically after five years), funds from the EIFD will be available to fund public improvements and/or repay bonds issued to finance public improvements. If the City is able to use 25 percent of its ad valorem property taxes and vehicle license fee revenues and the EIFD includes both unincorporated islands and areas in the City's sphere of influence, available funding could total \$635.4M over 45 years (in 2021 dollars).

To date the City has taken several administrative actions to lay the groundwork for the EIFD:

- Began outreach via internal staff kick-off meetings, public presentation, and briefing of Mayor and City Council
- Hosted three virtual community meetings in January 2022 to raise awareness among area residents and respond to questions from the public
- Determined the citywide EIFD parameters and established an EIFD boundary map
- Engaged in preliminary steps to establish a Public Financing Authority (PFA)

In order to finalize the EIFD, the City will need to:

1. Deliver PFA documents to the Mayor and the City Council
2. Post a Special Vacancy Notice for the two PFA seats reserved for members of the public

3. Provide notice and hold three public hearings in order to secure written and oral testimony from all who wish to comment
4. Make adjustments to the City Infrastructure Financing Plan (IFP) as needed
5. Forward a recommendation to approve the IFP and the formation of the EIFD to the City Council
6. Conduct a final public hearing led by the PFA to formally approve the Infrastructure Financing Plan and adopt a Resolution of Formation establishing the EIFD

COST

The cost to establish a citywide EIFD is minimal and will primarily consist of staff time.

LEAD ORGANIZATION

City of San Bernardino

SIMILAR PROJECTS ELSEWHERE

While EIFD formation is a relatively new tool and many jurisdictions have yet to bond their EIFDs, the [City of Placentia established an EIFD in cooperation with Orange County](#) that could serve as a model