

## **Transit Oriented Communities (TOC) Tax Increment Financing (TIF) Pilot Program TIF Feasibility Study – Scope of Work**

The City/ of [INSERT] is seeking a consultant to perform a TIF feasibility study to determine how the City/County may finance transit-supporting infrastructure, affordable housing and other community development goals in the [NAME OF STUDY AREA] study area. The TIF study shall focus on two new TIF tools:

1. EIFD – Enhanced Infrastructure Financing Districts (SB628/AB313)
2. CRIA – Community Revitalization and Investment Act (AB2/AB2492)

As noted in Task 3, the Study may consider other benefit assessment districts if appropriate and supported by the initial analysis conducted in Task 2. Additionally, the selected consultant shall also reference and adhere to any EIFD/CRIA Board policy or criteria adopted by the County of Los Angeles.

### **Task 1: Develop Stakeholder Engagement Plan**

#### **Duration:**

Working closely with the City/County, Consultant shall develop a stakeholder engagement plan with the objectives of (1) determining stakeholder interest in and/or commitment to a TIF district in the project area; (2) developing a vision for the district; and (3) identifying targeted investments, projects and priorities for a TIF district in the project area. The engagement plan should reference the tasks in the TIF feasibility scope of work, noting key milestones for engaging stakeholders as the study progresses.

The engagement plan shall be tailored to the project area, but will likely be a combination of one-on-one interviews, small focus groups and larger community meetings/workshops, as well as regular communication through email and social media.

NOTE TO APPLICANTS: The stakeholder engagement plan will be tailored to the specific City/County communities but should include mechanisms to ensure engagement of lower income and disadvantaged communities, including meetings at varied times, translation of materials into multiple languages, and translation services as needed.

**Toolkit:** Best practice: [Craft a clear outreach plan, Building partnerships with stakeholders](#)

**Deliverables:** Community Engagement plan

### **Task 2: Identify Boundaries and Initial Screening Criteria**

#### **Duration:**

2.1 **Determine boundary scenarios:** Working with the City/County and community stakeholders as identified in the outreach plan, identify no more than 3 sets of boundaries to study for preliminary screening of eligibility for EIFD or CRIA. The boundaries chosen should meet the screening criteria defined in the grant application and SCAG’s EIFD/CRIA Screening Assistance Tool.

**Deliverable:** Maps and written descriptions of up to 3 boundary scenarios for consideration of TIF and CRIA and concise written explanation for development of boundaries.

2.2 **Initial TIF Screening:** Using data available from SCAG's EIFD/CRIA Screening Assistance Tool, ArcGIS and other publicly available data sources, prepare a matrix of primary screening criteria, including:

From SCAG Screening Assistance Tool:

- Current zoning and density in project area (including consideration of anticipated zoning from land use planning updates underway)
- Project location and infrastructure needs (location in High-Quality Transit/Transit Priority Area)
- Potential infrastructure financing solutions (property tax capture rate, eligibility for grant funding)
- CRIA Eligibility (income, crime, unemployment stats, disadvantaged communities designations)
- Whether the proposed EIFD boundaries overlap a former California Redevelopment Project Area

From other sources:

- Economic Development potential (planned projects, existing parcel values)
- Technical screening (determine any former RDA project areas, existing ROPs obligations or other bond/financing obligations)  
EIFD/CRIA Successor Agency Prerequisites (finding of completion from DOF)

Much of this screening work should have been completed in the grant application. However, the data should be organized in a matrix and also any additional boundaries/considerations post-grant award should be screened.

**Deliverable:** Matrix showing TIF screening variables for each boundary scenario.

2.3 **Strategic considerations:** Identify quantitative and qualitative factors affecting TIF feasibility, which may include:

- market statistics
- land ownership (public/private)
- proposed developments
- anticipated infrastructure investments (public transit, grant-funded projects, etc.)

Use the data to make final recommendations for which boundary scenario(s) should continue into the next phase of analysis as well as determining whether the EIFD, CRIA or both forms of TIF district should

be studied. If other forms of benefit assessment district are appropriate (Community Facilities District, BID, etc.) identify those.

**Toolkit:** [Economic Tools-Financing](#)

**Deliverable:** Market and future investment analysis

### **Task 3: Tax Increment Analysis**

**Duration:**

This task is focused on determining a range of tax increment or other benefit assessment district funds could be generated upon formation of a district.

3.1 **Revenue Generation.** Key assumptions for the revenue generation analysis include:

- Analysis of no more than 3 different boundary scenarios and potential assessment districts, (depending on outcome of Task 2).
- Taxing entity proportional shares should be current (redevelopment era shares were pre-ERAF) and come from County Auditor-Controller.
- For TIF districts, include one set of revenues projections with both County and City participation and one set with only City participation in tax increment.
- Project revenues at the 10, 20, 30 and 45-year timeframe
- Provide some “But/For analysis,” i.e., is it likely that the proposed infrastructure projects would not produce the subsequent growth in development without the EIFD/CRIA
- Is the project viable without contributions from the other taxing entities

Revenue generation assumptions should also meet any EIFD/CRIA criteria and policies adopted by the Los Angeles County Board of Supervisors.

3.2 **Bonding capacity.** For each scenario, determine the bonding capacity of the TIF/assessment revenue assuming that the governing authority bonds against the future proceeds.

**Deliverable:** Tax increment revenue and present value analysis

### **Task 4: Identify infrastructure needs**

**Duration:**

4.1. **Identify infrastructure and community development investments.** Working with the City/County and through the stakeholder engagement strategy, the consultant shall determine a range of infrastructure and community development projects/programs, consistent with the regulations for any assessment district, which could make up the funding plan for the TIF district. The projects/programs shall include estimated funding needs whenever available.

The following documents should be used as references in the process of identifying community development projects and programs:

- Recently adopted Transit Supportive Plan or a Plan underway
- Transit-Supportive Development Toolkit: 10 Characteristics of Transit-Supportive Development
- Metro Countywide Sustainability policy
- First/Last Mile Strategic plan
- Green places Toolkit

**Deliverable:** Summary of potential infrastructure and community investment projects, with an estimated range of costs.

**4.2 Identify other funding sources.** It is a reasonable assumption that the total desired investment will exceed the net revenues generated by the TIF/special assessment district. The consultant shall identify other funding sources that could be leveraged by the TIF district, including grants, special district fees, development impact fees, and other public funding sources.

**Toolkit:** [Fiscal and Economic Benefits Memorandum, Financing tools such as New Markets Tax Credits, TOD Housing program](#)

**Deliverable:** Summary memo providing a rough order of magnitude funding plan for the TIF district, inclusive of projects/programs, project costs and potential funding sources.

#### **Task 5: Next Steps for Implementation**

#### **Duration:**

Consultant shall prepare a summary memo outlining next steps for implementation, a timeline, and a budget for the implementation activities. The memo should include recommendations for the make-up of a Public Financing Authority/CRIA Board if either district is recommended and identify other factors such as CEQA considerations and further community engagement. The memo should function as a realistic action plan for moving forward.

**Deliverable:** Next Steps Summary Memo