



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Doug Schulze, City Manager

MEETING DATE: February 27, 2024

SUBJECT: Consideration of Resolution 2024-33, Creating a Community Revitalization Investment Authority to Operate within the Community, and Making Certain Findings and Taking Certain Actions in Connection Therewith, and Resolution 2024-02 SA, Making Certain Findings Relating to the City of Banning's Creation of a Community Revitalization Investment Authority to Operate within the Community

RECOMMENDATION:

- 1) That the Successor Agency adopt Resolution 2024-02 SA; and
- 2) That the City Council adopt Resolution 2024-33.

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:

1. Approve Resolutions as recommended;
2. Do not approve Resolutions.

ATTACHMENTS:

1. [Resolution 2024-33, CRIA Formation.docx](#)
2. [Resolution 2024-02 SA.docx](#)
3. [Banning CRIA Next Steps 2-13-2024.pdf](#)