

Frequently Asked Questions

1. What is tax increment financing?

Tax increment financing (“TIF”) is property tax revenue generated above an established base year value. For increment to be available, assessed values must increase over the base year value.

2. What is an EIFD?

Approved by legislation in 2014, and Enhanced Infrastructure Financing Districts are Special Districts with defined boundaries that use local property taxes to issue bonds to fund infrastructure projects (e.g. streets, utilities, open space, affordable housing). EIFDs can be formed by any entity with property taxing authority, including a City, County, or Special District, but excluding school districts.

3. Does an EIFD create a new tax?

No. EIFDs are created to pay for infrastructure and other public amenities from incremental property tax revenues generated from new development projects. This is known as “property tax increment”. When a new building or project is constructed or improved over time, a portion of the 1% property taxes collected from the new improvements is dedicated to a special fund for use by the EIFD.

4. What types of projects can an EIFD fund?

Projects that can be funded by EIFDs include the following:

- Childcare facilities;
- Parks, recreational facilities, and open space;
- Affordable housing;
- Libraries;
- Transit-oriented development;
- Environmental mitigation;
- Projects to help communities adapt to the impacts of climate change;
- Internet access service;
- Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities;
- Sewage treatment and water reclamation plants and interceptor pipes;
- Water treatment and collection facilities; and
- Industrial structures.

5. What is a CRIA?

Like EIFDs, CRIAs were established in 2015 as a new tax increment financing tool in the wake of redevelopment dissolution. Government Code §62000 et seq. authorizes cities, counties, and special districts to create CRIAs to generate tax increment from consenting taxing entities to improve infrastructure, assist businesses, and support affordable housing. Compared to EIFDs, more restrictions apply to where CRIAs can be located. CRIAs can be established only (1) on a former military base with largely deteriorated or inadequate infrastructure and structures, (2) in a Disadvantaged Community, as defined by the California

Environmental Protection Agency (“CalEPA”), or (3) an area of which 80% of the land has an annual median income (“AMI”) less than 80% of the statewide, countywide, or citywide AMI and meets three of the following four conditions:

1. An unemployment rate that is at least 3% higher than the statewide average annual unemployment rate;
2. Crime rates that are at least 5% higher than the statewide average crime rate for violent or property crime offenses;
3. Deteriorated or inadequate infrastructure; or
4. Deteriorated commercial or residential structures.

6. What types of projects can a CRIA fund?

CRIAs may finance a variety of projects of communitywide significance, including the following:

- Affordable housing;
- Transit-oriented development;
- Underground utilities and communication systems;
- Sidewalks and roads;
- Stormwater collection and sewer systems;
- Brownfield remediation; and
- Seismic retrofits.

7. Will my property taxes increase?

EIFDs and CRIAs will not result in an increase in property taxes.

8. How can I submit my feedback?

The City would love to hear from you. If you have any comments or questions, please contact Nancy Lee, Senior Planner at the City of El Monte at nlee@elmonteca.gov.