



Enhanced Infrastructure Financing District Feasibility Analysis Summary

Special City Council Meeting Presentation
January 26, 2026

Prepared by:
Kosmont Companies

Background and Summary

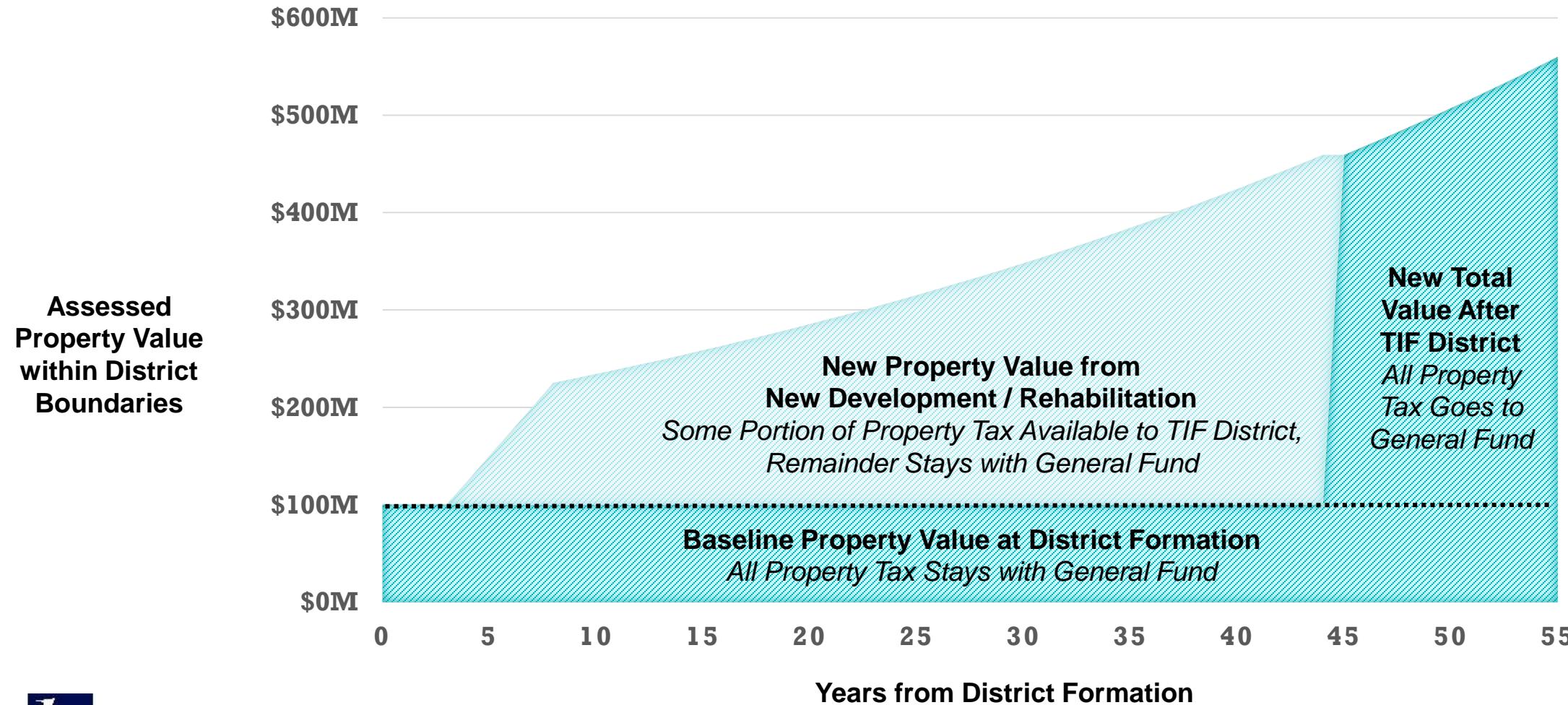
- The City of San Pablo is evaluating the use of a special purpose financing district such as an [Enhanced Infrastructure Financing District \(EIFD\)](#) to capture value from potential new development across the City to fund critical infrastructure and community investment priorities
- Tax increment financing (TIF) capacity is estimated to range of up to **\$117M** over time
- In addition to the TIF funding capacity, the district would elevate the City's ability to attract other public funding, particularly state and federal grants
- While a City-only financing district strategy would likely achieve favorable “return on investment” for the City, a broader partnership including the County of Contra Costa would further improve financial feasibility
- Subject to further review and feedback from City staff, immediate next steps could include City Councilmember briefings and/or discussion with the County regarding potential partnership

FY 2025-27 Council Priority Workplan

An EIFD, as a new economic development tool, would be consistent with current policy objectives in the adopted FY 2025-27 Council Priority Workplan (effective April 7, 2025) including, but not limited to, the following:

- ***Policy #301.3: Promote housing production to meet RHNA requirements (2023-2031)***
- ***Policy #309: Support implementation of certified Housing Element update and Housing Action Plan***
- ***Policy #400: Diversify revenue stream using new emerging technologies***
- ***Policy #402: Find creative ways of attracting new business and economic investment***
- ***Policy #403: Create a long-term, sustainable economic sustainability plan for mitigating economic impacts from competing native gaming casino projects (i.E. Vallejo casino)***
- ***Policy #405: Explore and sustain new revenue enhancements to the City's General Fund***

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



Note: Illustrative. Conservative 2% growth of existing assessed value (A/V) shown; does not include mark-to-market increases associated with property sales.

EIFD Fundamentals

Long Term Districts	45 years from first bond issuance
Governance	Public Financing Authority (PFA) implements Infrastructure Financing Plan (IFP)
Approvals	Mandatory public hearings for formation with protest opportunity; no public vote
Eligible Projects	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and <u>maintenance</u>

Types of Projects TIF Districts Can Fund

Partial List



Storm / Flood / Public Facilities



Roadway / Parking / Transit



Parks / Open Space / Recreation



Libraries & Childcare Facilities



Brownfield Remediation



Affordable Housing



Broadband



Wildfire Prevention / Other Climate Change Response



Small Business / Nonprofit Facilities

Why are Public Agencies Authorizing Financing 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 transit-oriented development, water, housing, parks, remediation)

Districts in Progress Statewide

(Partial List of EIFDs/CRDs/CRIAs)



Jurisdiction	Purpose
Artesia + L.A. County	Transportation and affordable housing
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, tourism-supportive infrastructure
Calipatria (CRD)	Economic and climate resilience infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Covina	Downtown housing and blended use supportive infrastructure
Downey + L.A. County	Transit-oriented development, affordable housing
Fresno	Downtown, housing and transit-supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Inglewood + L.A. County (CRD)	Transportation and affordable housing
Imperial County	Renewable energy, housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Lakewood + L.A. County	Mall reimagination, smart streets, affordable housing
Long Beach	Economic empowerment and affordable housing
Los Angeles (Palisades, Downtown, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County Santa Monica Mountains	Wildfire Recovery and Rebuild
Los Angeles County 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	Rural brownfield mixed-use infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Norwalk + L.A. County	Affordable housing and infrastructure
Ontario	Airport-related, blended use, infrastructure
Palmdale + L.A. County	Housing, blended use, transit 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 blended use, mall reimagination
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside County Thousand Palms	Housing, hospitality, medical supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
Salinas	Water, sewer, and other housing supportive infrastructure
Sanger	Commercial, hospitality, supportive infrastructure
Santa Cruz (EIFD + CRD)	Downtown, blended use, and climate resilience infrastructure
Santa Fe Springs + L.A. County	Housing and transit-oriented development infrastructure
Santa Rosa + County of Sonoma	Downtown investment, affordable housing, aging infrastructure
Scotts Valley + Scotts Valley Fire	Housing and mixed-use supportive infrastructure, fire facilities
Sebastopol + County of Sonoma	Housing, flood control, library, civic facilities
Sonoma County West (Unincorporated)	Housing, flood control, sewer, fire facilities
Yucaipa	Housing and commercial infrastructure
Fully Formed	
In Formation Process	
Under Evaluation	

Report Card on City / County / Special District TIF Partnerships

1. Placentia + Orange County
2. La Verne + Los Angeles County
3. Palmdale + Los Angeles County
4. Carson + Los Angeles County
5. Rancho Cucamonga + Rancho Cucamonga Fire Protection District
6. Lakewood + Los Angeles County
7. Stockton + Lathrop + Manteca + San Joaquin County
8. Gonzales + Monterey County
9. Santa Rosa + Sonoma County
10. Norwalk + Los Angeles County

Example Case Study:

City of La Verne + County of Los Angeles TOD EIFD Initial Investments

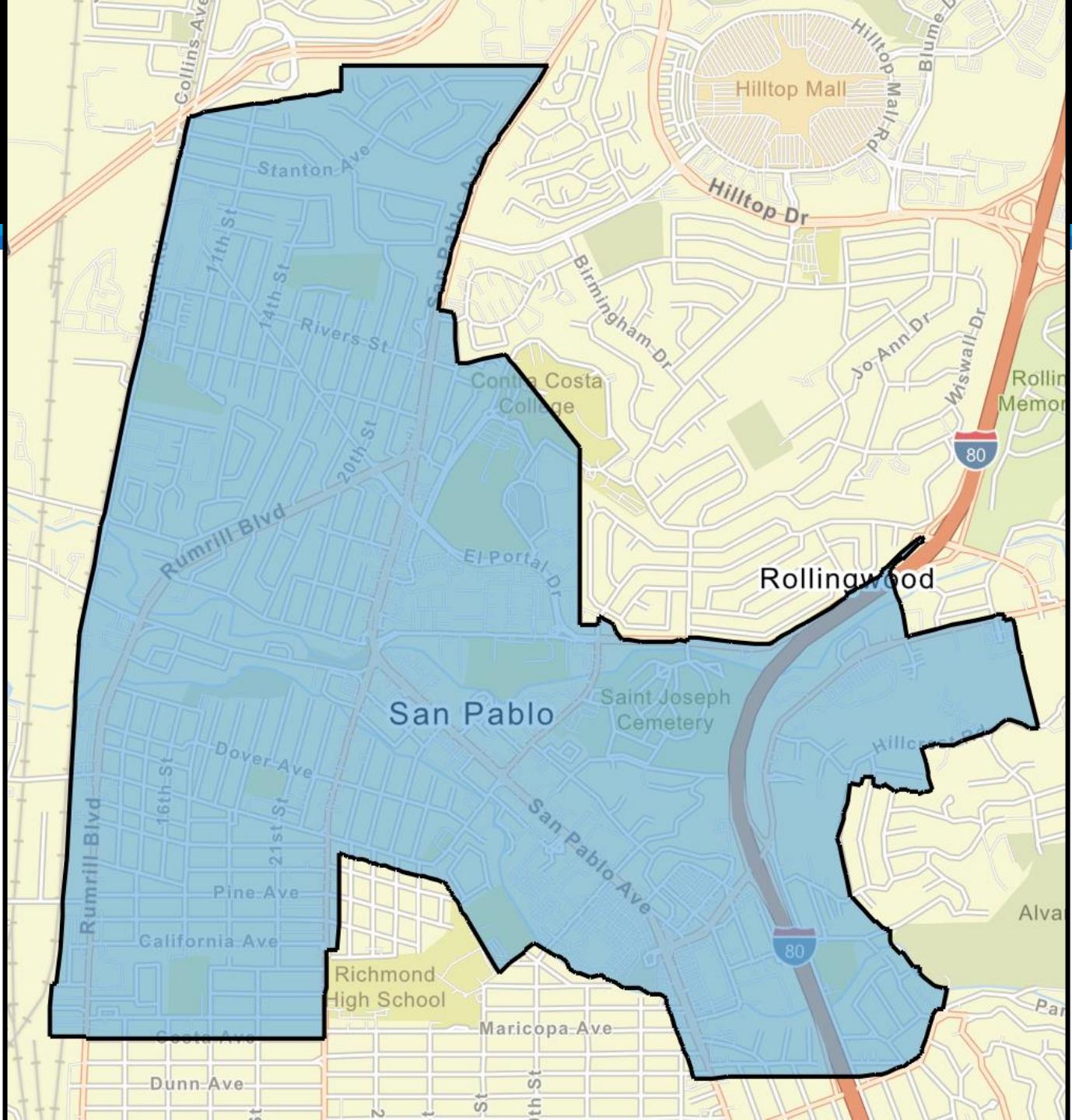


TOD Infrastructure, E and 2nd Street Roadway and
Streetscape Improvements (funded 2022)

Potential TIF District Boundary

Citywide

- City can choose to include the entire City within a TIF district
- Approx. 1,683 acres (2.6 square miles)
- Approx. **\$2.8 billion** in existing assessed value
- Boundary can be refined / reduced throughout evaluation and formation process
- Also have ability to carve out “project areas” within a larger financing district boundary, where revenue allocation can be customized by area



Example Potential City Investments to Receive TIF District Funding

- a) Affordable Housing
- b) A.I. supportive technology / Expanded fiber investment
- c) City Facilities
- d) Lighting and Landscaping (Supplant GF Subsidy to LLAD)
- e) Road and Bridge Improvements

Property Tax Revenues Available to EIFD

- Primary non-school recipients and potential contributors of property tax are **City and County**
- City share varies by area and ranges **between 6% and 10%** of every \$1 collected in property taxes
 - City additionally receives equivalent of ~**13%** of property tax in lieu of motor vehicle license fees (MVLF), also available to TIF district
- County General Fund share varies by area and averages in the **12% to 13%** range of each \$1
 - County additionally receives property tax in lieu of MVLF, also available to TIF district, but not incorporated into this analysis to be conservative
- School-related entities cannot participate

Property Tax Distribution (Example Tax Rate Area 11-001)

WEST CC UNIFIED	28.99%
CONTRA COSTA FIRE	20.25%
COUNTY GENERAL	12.66%
CITY OF SAN PABLO	9.91%
K-12 SCHOOLS ERAF	7.61%
ALA CO CO TRANSIT 1	4.84%
CO CO COMM COLLEGE	4.05%
EAST BAY REGNL PK	2.63%
WEST CO WASTEWATER	1.79%
WCC HLTHCARE DIST	1.34%
EAST BAY MUD	1.31%
COUNTY LIBRARY	1.31%
CO SUPT SCHOOLS	1.16%
COMM COLLEGE ERAF	1.13%
BART	0.55%
BAY AREA AIR MGMNT	0.16%
C C FLOOD CONTROL	0.15%
CO CO MOSQUITO ABA	0.14%
CO WATER AGENCY	0.03%
TOTAL	100.00%

As counties tend to rely more heavily on property tax revenue sources generated by new development within incorporated jurisdictions, it is Kosmont's experience that it is not reasonable to assume allocation of property tax in lieu of MVLF by the County. As cities benefit from additional non-property tax revenue sources (e.g., sales tax, transient occupancy tax) from new development, it is Kosmont's experience that it is reasonable for cities to consider contributing property tax in lieu of MVLF. Parcels within former Redevelopment Agency Project Areas are subject to RPTTF revenue flow until expiration of ROPS obligations (2031 for San Pablo). Source: Contra Costa County Auditor Controller (2025)

Contra Costa County Cities' Assessed Value Roll

FY 2025-26 (Total: \$290.66B; +4.18%)

CITY	TAX BASE	GAIN/LOSS	%	CITY	TAX BASE	GAIN/LOSS	%
1). San Pablo	\$ 2,724,329,866	+\$149,639,530	+5.81%	12). Walnut Creek	\$25,906,087,012	+\$1,007,450,961	+4.04%
2). Danville	\$18,938,039,051	+ \$950,425,740	+5.28%	13). Brentwood	\$14,683,238,758	+\$557,300,585	+3.94%
3). El Cerrito	\$ 6,386,549,998	+\$30,563,495	+5.11%	14). Richmond	\$20,628,351,809	+\$704,515,958	+3.53%
4). LaFayette	\$12,352,721,584	+\$568,490,450	+4.82%	15). Pinole	\$3,428,506,204	+\$116,523,036	+3.51%
5). Antioch	\$16,316,558,190	+\$733,415,895	+4.70%	16). Clayton	\$3,052,324,254	+\$97,278,146	+3.29%
6). Oakley	\$ 7,565,710,918	+\$337,629,731	+4.67%	17). Hercules	\$5,030,175,520	+\$155,259,511	+3.18%
7). San Ramon	\$29,601,175,045	+\$1,265,494,028	+4.46%	18). Concord	\$23,171,135,135	+\$697,317,125	+3.10%
8). Moraga	\$ 6,031,606,857	+\$248,522,918	+4.29%	19). Pittsburg	\$10,593,540,003	+\$303,527,600	+2.96%
9). Pleasant Hill	\$ 8,809,441,374	+\$356,049,938	+4.21%				
10). Martinez	\$ 8,465,476,230	+\$341,753,160	+4.20%				
11). Orinda	\$10,143,170,421	+\$404,555,561	+4.15%				

Source: Contra Costa County Assessor 2025-26 Assessment Roll Report

Contra Costa County TIF Policy

Sample of Key Provisions

County contribution will be no more than City contribution and no more than 50% of County share	<input checked="" type="checkbox"/>
Contribution will be no longer than 25 years	<input checked="" type="checkbox"/>
Support of County objectives (e.g., workforce development, transportation improvements, homeless prevention, sustainability)	<input checked="" type="checkbox"/>
Residential must include 20% to 50% or more affordable housing component	<input checked="" type="checkbox"/>
Positive County General Fund fiscal impact	<input checked="" type="checkbox"/>
No support of eminent domain	<input checked="" type="checkbox"/>

TIF Revenue and Bonding Capacity Scenarios

TIF Revenue Allocation Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present-Value @ 3% Discount Rate	50-Year Nominal Total
A) City 15%	\$1,774,000	\$5,742,000	\$22,569,000	\$57,573,000
B) City 25%	\$3,398,000	\$10,012,000	\$37,615,000	\$95,954,000
C) City 35%	\$5,022,000	\$14,281,000	\$52,661,000	\$134,336,000
D) City 50%	\$7,458,000	\$20,686,000	\$75,230,000	\$191,909,000
E) City 15% + County 15%	\$3,136,000	\$9,323,000	\$35,187,000	\$89,762,000
F) City 25% + County 25%	\$5,668,000	\$15,980,000	\$58,646,000	\$149,603,000
G) City 35% + County 35%	\$8,199,000	\$22,636,000	\$82,104,000	\$209,444,000
H) City 50% + County 50%	\$11,997,000	\$32,621,000	\$117,291,000	\$299,206,000

Assumes annual assessed value growth in the 3% to 5% range (higher in near term consistent with historical growth within the City, lower in longer term to be conservative)
 City allocation includes allocation from both AB8 + MVLF in-lieu. County allocation does not include MVLF in-lieu.

* Bonding capacity assumes Year 5 is first bond issuance for TIF district. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 150% debt service coverage, 6.0% 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.

TIF works better with a City/County Partnership + Attract Other Funding (e.g., Grants)

- Preferred strategy includes City and County partnership seeking 3rd party funding augmentation
- TIF Districts which involve a City / County joint effort are more likely to win state grant funding sources
- TIF explicitly increases scoring for CA state housing grants (e.g., IIG, AHSC, TCC)

Other Public Sources

- *Cap-and-Trade / HCD & SGC grant / loan programs (AHSC, IIG, TCC)*
- *Prop 4 climate funding*
- *Prop 68 parks & open space grants*
- *Prop 1 water/sewer funds*
- *Caltrans ATP / HSIP grants*
- *Federal EDA / DOT / EPA*
- *Federal IRA and IIJA direct funds*



Other Private Sources

- *Development Agreement / impact fees*
- *Special tax or benefit assessment district (e.g., CFD)*
- *Private investment*
- *Private tax credits available through IRA and IIJA for climate investments*

Public Agency and Community Return on Investment

- Housing / Regional Housing Needs Assessment (RHNA) implementation
- Job creation, wages from new economic development
- Acceleration of development and related fiscal revenues for City and other taxing entities
- Attract other funding not otherwise available for projects within the community

Illustrative TIF District Formation Schedule

Target Date	Task
Nov 2025 – Mar 2026	a) Conduct outreach/discussion among City staff and Council, County staff and Board of Supervisors, other relevant stakeholders b) Final determination of boundaries, targeted projects, governing Public Financing Authority (PFA) Board composition <i>(completion of “feasibility analysis” stage of work)</i>
April-May 2026	c) City Council / Board of Supervisors consider Resolution(s) of Intention (ROI) and formally establish PFA
June 2026	d) PFA directs the drafting of the Infrastructure Financing Plan (IFP)
July 2026	e) Distribute draft IFP to property owners, affected taxing entities, City Council, County Board of Supervisors
August 2026	f) PFA holds an initial public meeting to present the draft IFP to the public and property owners
September 2026	g) City Council / Board of Supervisors consider resolution(s) approving IFP
October 2026	h) PFA holds first public hearing to hear additional comments and take action to modify or reject IFP (at least 30 days after “f”)
November 2026	i) PFA holds second public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP and form the district by resolution (at least 30 days after “h”)

- 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 (may be 3-5 years)

EDHPM Standing Committee Recommendation (12/10/25) to City Council:

1. Receive presentation; and
2. Recommend a Policy Recommendation to the FY 2025-27 Council Priority Workplan (under Major Policy Goal: Focus on Economic Development and Fiscal Diversification) to proceed with adding: ***“Explore feasibility and implementation of an Enhanced Infrastructure Financing District (EIFD) as an economic development tool to capture value from potential new development across the City to fund critical infrastructure and community investment priorities.”***; and
3. Direct City Manager / Kosmont Consultant Team to finalize the feasibility analysis (Phase I), and upon completion, recommend proceeding with implementation (Phase II), with a one-time funding allocation of \$79,000 from FY 2025-26 GFDR (Fund 110) Operating Reserve; and
4. Schedule a Council Study Session for further City Council review/feedback on progress & implementation; and
5. Recommend future City Council consideration of a non-binding Resolution of Intention and/or explore discussion with Contra Costa County regarding potential partnership.



THANK YOU
Questions?

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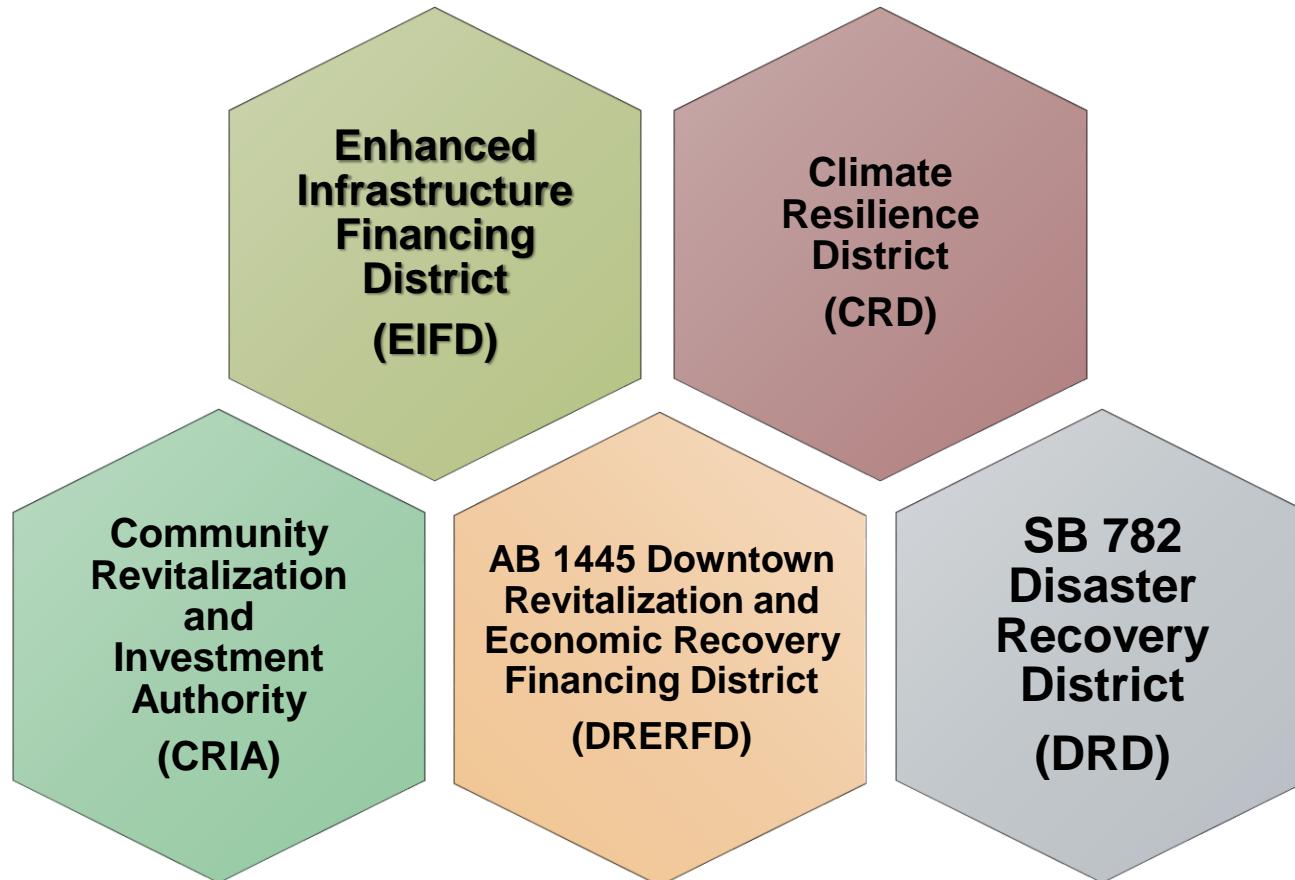
The high-level analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this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

Discussions or descriptions of potential financial tools that may be available to the Client and public agencies 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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APPENDIX

TIF District Alternatives



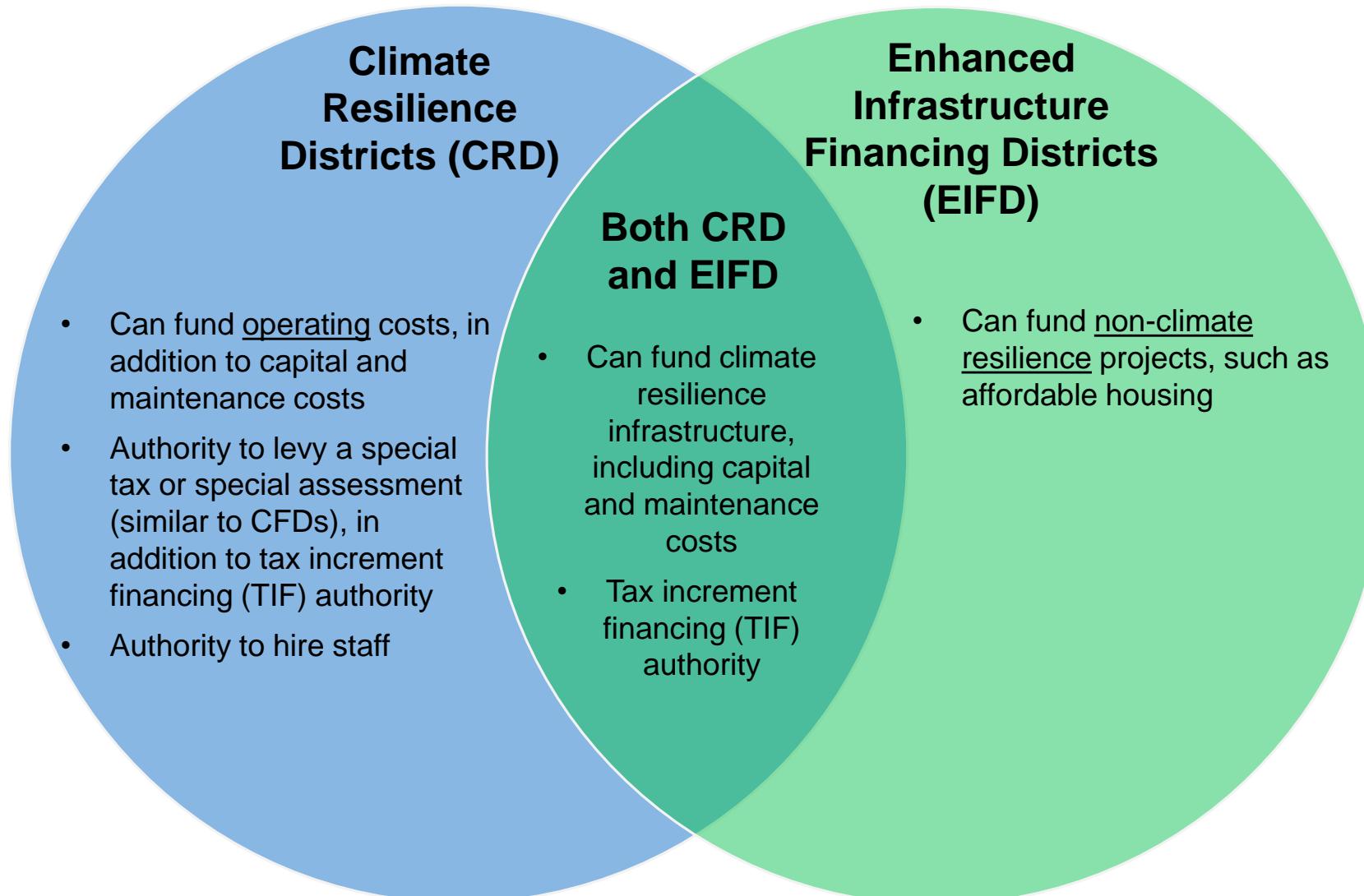
The New TIF District in Town – CRDs

SB 852 Creates Climate Resilience Districts

Purpose	Allows city, county, special district, or combination of entities to form a Climate Resilience District, which can fund projects to mitigate climate change.
Powers	<p>Broad financing powers, including the power to tax, with voter approval (and use of property tax share, with affected agency consent)</p> <ul style="list-style-type: none">• <u>Taxing power</u> – can levy a benefit assessment, special tax, property-related fee, or other service charge / fee• <u>Other funds</u> – can apply for and receive federal / state grants, receive gifts / grants / allocations from public and private entities• <u>Bonds</u> – TIF, can issue revenue bonds, incur general obligation bonds• <u>Administration</u> – powers needed to administer district, like hiring staff
Eligible Projects	<p>Wide range of eligible projects, including:</p> <ul style="list-style-type: none">• <u>Sea Level Rise / Flooding</u> – sea level rise, sea walls, wetlands restoration, erosion control, levies, structure elevation / relocation, flood easements• <u>Extreme Weather</u> – facilities / improvements for extreme heat, extreme cold, rain / snow• <u>Wildfire</u> – fire breaks, prescribed burning, structure hardening, vegetation control• <u>Drought</u> – land repurposing, groundwater replenishment, groundwater storage

CRD versus EIFD

Sample of Key Differences



TIF Today versus Former Redevelopment Agencies

Sample of Differences

	Former RDAs	EIFDs / CRDs / CRIAs
Eligible Use of Funds	<ul style="list-style-type: none"> • Infrastructure and affordable housing • Mixed-income housing • Land clearing and parcel assembly • Tax and other private business / developer subsidies 	<ul style="list-style-type: none"> • Public infrastructure (e.g., roads, flood control, open space, utilities) • Public facilities • Affordable housing
Eminent Domain / Condemnation	<ul style="list-style-type: none"> • Allowed 	<ul style="list-style-type: none"> • Not allowed
Eligible Areas	<ul style="list-style-type: none"> • Must qualify as “blighted” 	<ul style="list-style-type: none"> • No “blight” finding required
Governance	<ul style="list-style-type: none"> • City Council or County Board • School entity participation 	<ul style="list-style-type: none"> • Public Financing Authority including Public Members (no school entities)
Formation	<ul style="list-style-type: none"> • Vote of governing body 	<ul style="list-style-type: none"> • 3 public hearings, majority protest opportunity from landowners and registered voters within district

TIF as a Component of the Economic Development and Public Financing Toolkit

- There are advantages / disadvantages to TIF compared to other mechanisms, such as general obligation (GO) bonds, lease revenue bonds / COPs, Mello-Roos Community Facilities District (CFD) financing, assessment districts, and other tools
- **Advantages of TIF** include no encumbrance of existing city/county resources, can attract tax increment contributions from other taxing entities, increased priority for grant funding, ability to demonstrate commitment to multiple infrastructure (and/or affordable housing) projects to catalyze private sector development, capacity to fund maintenance, no additional taxes to property owners / residents / businesses, and ease of voter approval
- **Disadvantages of TIF** include lack of comparable financings thus far, statutory vs. constitutional authority to issue debt, and subordination to redevelopment successor agency obligations
- **Complementary Tool: TIF should not be considered a replacement for other useful financing mechanisms, but rather a complementary tool; other jurisdictions have been successful in utilizing TIF as well as other tools for different projects within the same community**

Comparison of TIF and Other Tools

District Type	Description	Revenue Source	Approval Structure	Use of Funds
TIF (e.g., EIFD, CRD, CRIA, IFD, IRFD)	Incremental property tax revenues from new development used to fund local infrastructure. Max term is 45 years from approval to issue debt.	Incremental (new development) property tax revenues (incl. VLF) – does not increase taxes	<i>District formation</i> – No vote, but majority protest opportunity by landowners and registered voters <i>Bond issuance</i> – None	<ul style="list-style-type: none"> • Infrastructure of regional or communitywide significance • Maintenance • Affordable housing
Mello-Roos Community Facilities District (CFD) and/or Assessment District	Additional assessment or “special tax” used to fund infrastructure / services that benefit property. Max term is 40 years from date of debt issuance.	New property assessment or tax – appears as separate line item on tax bill	<i>District formation</i> – 2/3 vote of landowners or registered voters in district* <i>Bond issuance</i> – vote of elected body (City)	<ul style="list-style-type: none"> • Infrastructure capital expenditures of benefit to landowners • Maintenance • Public services (e.g. safety, programs)
General Obligation	Voter-approved debt that is repaid with “override” to 1% tax levy; City-wide	Direct property tax levied on all properties at same millage rate	2/3 vote of registered voters in entire City	<ul style="list-style-type: none"> • In accordance with bond plebiscite
Lease Revenue / COPs	General Fund-supported borrowing, generally utilizing City-owned assets to be leased and leased back	General Fund (or other legally available revenues as determined by City)	Vote of elected body (City)	<ul style="list-style-type: none"> • In accordance with bond authorization