



# City of Victorville

## Old Town CRIA

November 14, 2022





# Outline

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- III. Challenges & Opportunities
- IV. County Participation
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Scott Webb  
City Planner

Tony Camargo  
Assistant to the City Manager



Hitta Mosesman  
Vice President, CDH

Irlanda Martinez  
Project Manager, CDH

## Introductions





# What is a CRIA?

- **Community Revitalization and Investment Authority (CRIA)**
- Law Passed in 2015
- Redevelopment Replacement to - Allow **Tax Increment Financing**
- Distressed Areas
- **25% Affordable Housing Set Aside**
- Few Methods Available to **Revitalize Areas & Fund Affordable Housing**



# Tax Increment Financing

Increase in property taxes from assessed value increases  
(new development or property sales)



**Residents are not required to pay an additional tax**



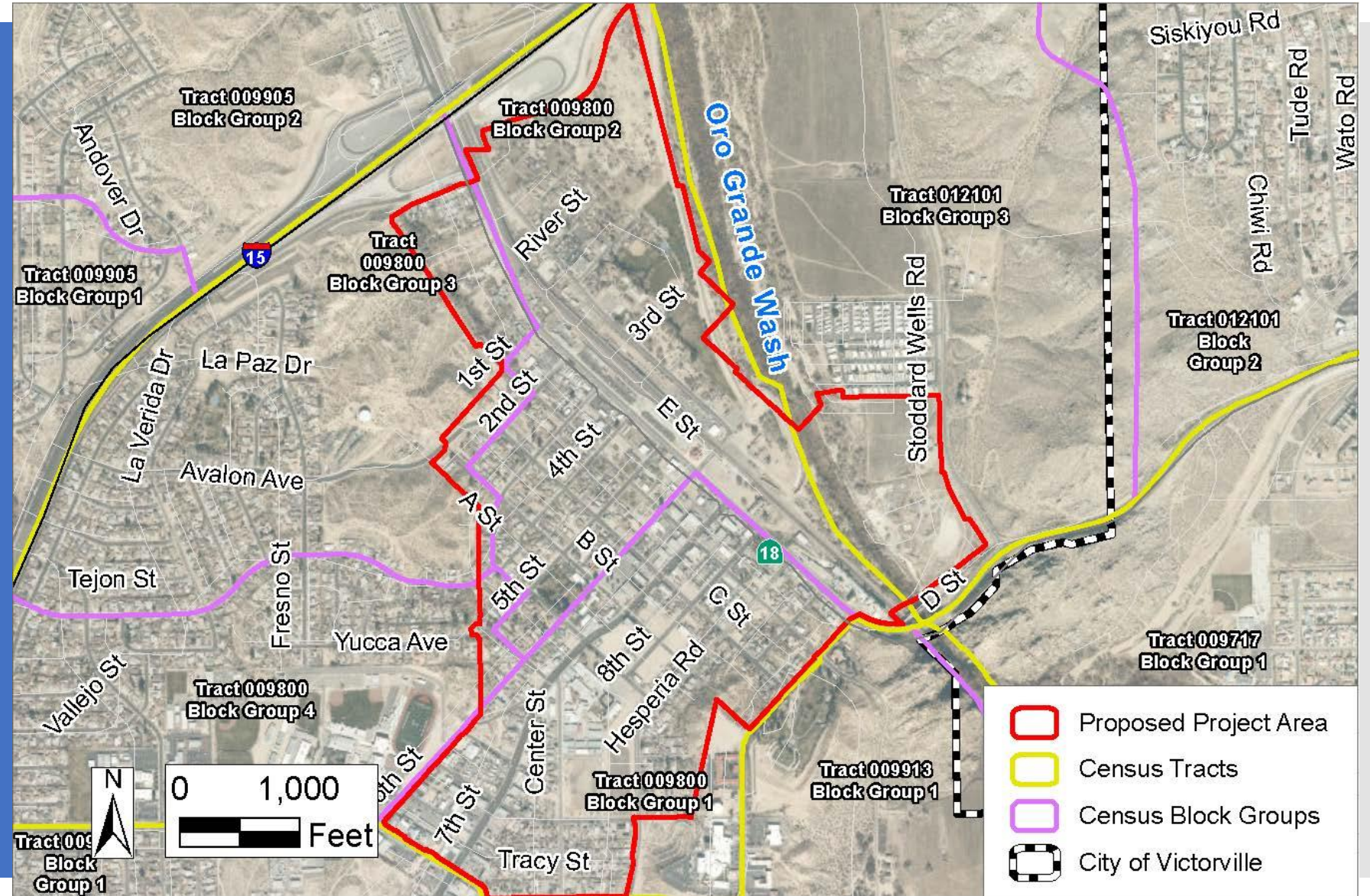
# What Can it Fund?



- **Infrastructure**
- **Affordable Housing**
- **Hazardous Substances Remediation**
- **Seismic Retrofits**
- **Acquire/Transfer Property**
- **Issue Bonds**
- **Borrow Money and/or Receive Assistance (Financial)**
- **Loans or Grant - Rehabilitation/Improvement**
- **Direct Assistance To Businesses**



# Proposed Area (Map)





# Proposed Area (Current Conditions)

- Former Redevelopment Project Area
- Economically Distressed Area
  - Most of area < 80% statewide, countywide & citywide AMIs.
  - Unemployment rate - 3%+ higher than the statewide average.
  - 1% average assessed value growth last 10 years
- Aging, Deteriorated & Dilapidated Structures
- Stagnant property values
- Homelessness
- Crime
  - Violent, burglary & motor vehicle theft rates 5%+ > State
  - Arson





# Proposed Area (Plans for Area)

- Old Town Specific Plan
  - Increased Density
  - Incentives
  - City owned properties
- Location of Wellness Center/Transitional Shelter
- City utilized all available tools except CRIA



# Taxing Entities

Taxing Entity or Group	Old Town Area Share	Eligible to Contribute to CRIA?
City	18.9%	Yes
County	16.7%	Yes
Mojave Water Agency	0.5%	Yes
Mojave Desert Resource Conservation District	0.04%	Yes
Educational Revenue Augmentation Fund	20.5%	No
Victor Elementary School District	19.8%	No
Victor Valley Union High School District	16.6%	No
Victor Valley Community College	6.1%	No
Superintendent of Schools	0.9%	No
<b>TOTAL</b>	<b>100.0%</b>	



# County Participation (Value Proposition)



- At 54% County Share, No Revenue Loss
  - Property tax from Old Town < \$200,000/yr
  - Sales tax will help fill gap with 100%
  - County needed for economic growth
- Milestone/Partnership 1st CRIA in State
- Help City Address Homelessness & Reduce Demand for County Resources



## County Participation (Status)



- County's participation needed
- Governor's Go Biz Office
  - Support CRIA adoption
- Fall 2021: City initiated engagement with County
- Spring 2022: County analyzing participation – on hold
- County invited to Nov. 14 Board Meeting
- Public hearing invitations



## CRIA Plan (Requirements)



- Required by GOV Section 62003
- Shall include:
  1. Statement of goals & objectives
  2. Description of deteriorated infrastructure & program for repair
  3. Housing program with 5-year estimate of deposits, assisted units, etc.
  4. Program to remove hazardous substances
  5. Program to provide funding for economic revitalization
  6. 5-year projected receipt of revenue and projected expenses



# CRIA Plan (Goals & Objectives)



## ■ **Goals**

1. Assist in implementing Old Town Specific Plan
2. Facilitate economic revitalization and the provision of affordable housing

## ■ **Objectives:**

1. Transform Old Town focal point for region
2. Bring new housing opportunities to Old Town
3. Encourage new businesses and jobs in Old Town
4. Promote attractive and pedestrian-oriented Old Town



## CRIA Plan (Deteriorated Structures)



- More than 80% of CRIA Area is characterized by deteriorated structures



# CRIA Plan (Housing Program)



- Total amount deposited into LMIHF first 5 years - \$13k - \$25k

		25% Set-Aside By County Participation Level				
Year	FY	0%	50%	54% (Break-Even %) <sup>1</sup>	75%	100%
0	2022-23 <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
1	2023-24	850	1,227	1,259	1,415	1,603
2	2024-25	1,717	2,478	2,543	2,858	3,238
3	2025-26	2,602	3,754	3,852	4,330	4,906
4	2026-27	3,504	5,055	5,188	5,831	6,607
5	2027-28	4,424	6,383	6,551	7,363	8,342
		\$ 13,098	\$18,897	\$ 19,393	\$21,796	\$ 24,696

- **Program:** Up to one \$15k residential rehabilitation loan provided - first 5 years (County participation)





# CRIA Plan (Hazardous Substances)



- 2 non-National Priority List Superfund sites
  - Site 1 – Under remediation (City-owned)
  - Site 2 – Commercial building (Not owned by City)
- **Program:**
  - CRIA Board coordinate with owners to address any threats & support grant applications



# CRIA Plan (Economic Revitalization)



- Projected annual revenues (25% LMIHF):

		Tax Increment Revenues By County Participation Level									
Year	FY	0%		50%		54% (Break-Even %) <sup>1</sup>		75%		100%	
		Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF
0	2022-23 <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	2023-24	2,550	850	3,680	1,227	3,776	1,259	4,244	1,415	4,809	1,603
2	2024-25	5,152	1,717	7,433	2,478	7,628	2,543	8,574	2,858	9,714	3,238
3	2025-26	7,806	2,602	11,261	3,754	11,557	3,852	12,989	4,330	14,717	4,906
4	2026-27	10,512	3,504	15,166	5,055	15,565	5,188	17,494	5,831	19,821	6,607
5	2027-28	13,273	4,424	19,149	6,383	19,653	6,551	22,088	7,363	25,026	8,342
<b>Subtotal</b>		<b>\$ 39,293</b>	<b>\$ 13,098</b>	<b>\$ 56,690</b>	<b>\$ 18,897</b>	<b>\$ 58,180</b>	<b>\$ 19,393</b>	<b>\$ 65,389</b>	<b>\$ 21,796</b>	<b>\$ 74,087</b>	<b>\$ 24,696</b>
<b>Total CRIA Rev.</b>		<b>\$52,391</b>		<b>\$75,587</b>		<b>\$77,573</b>		<b>\$87,185</b>		<b>\$98,783</b>	

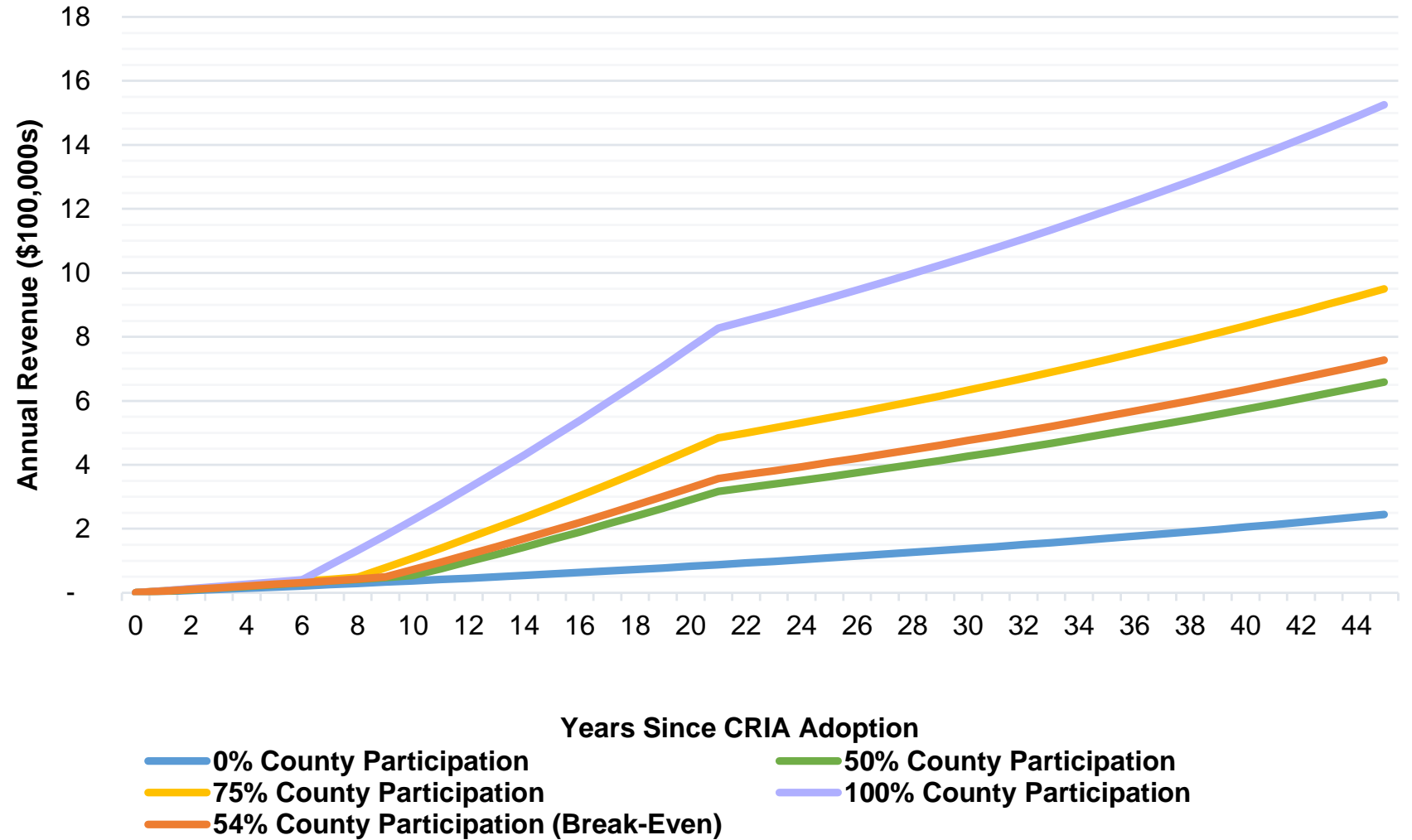
- **CRIA Programs:**
  - Up to four \$15k commercial rehabilitation loans - first 5 years (County participation)
  - Old Town Business Recruitment Packet
- **City Programs:**
  - Waived development impact fees
  - Sales tax sharing (under consideration)



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# Tax Increment Projections (Estimates)

## Projected CRIA Revenues, With New Development

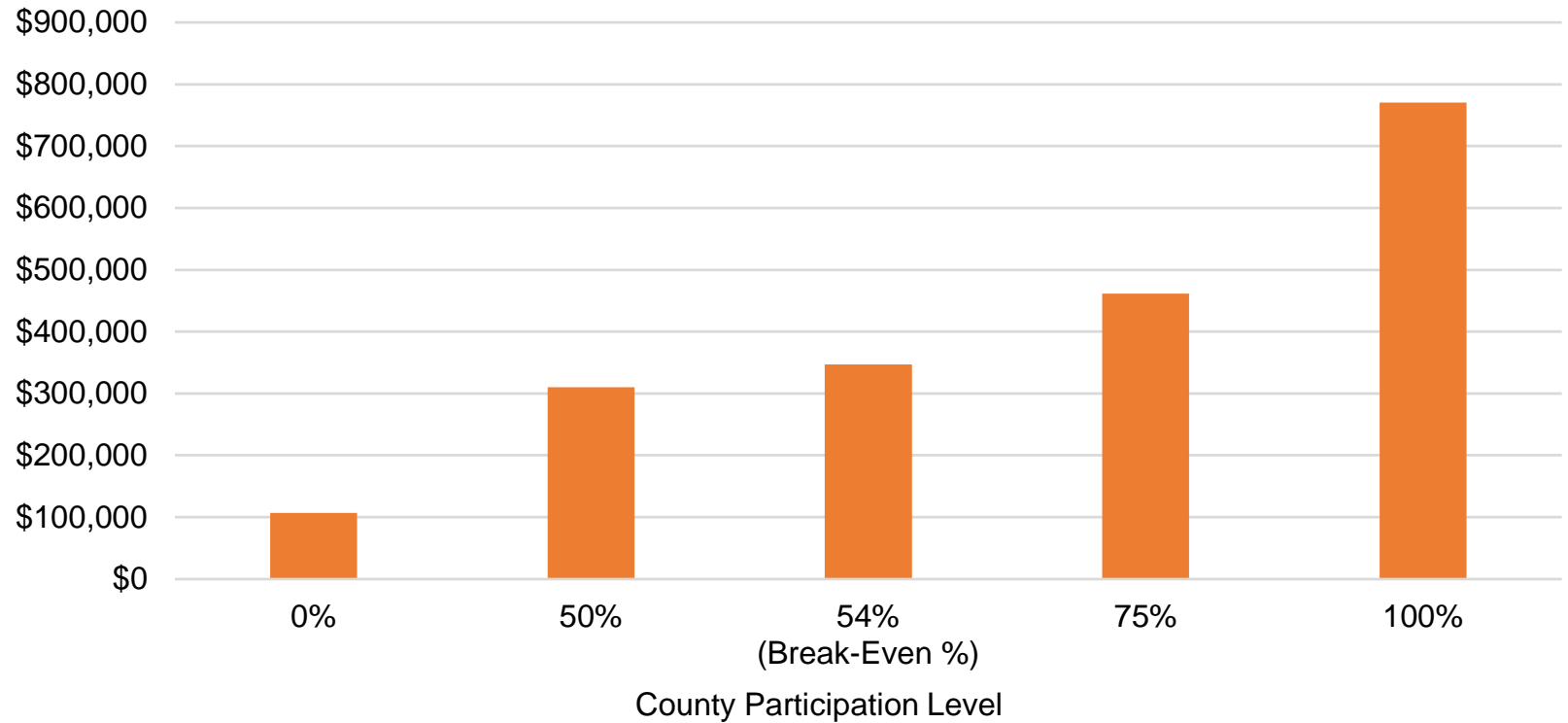




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# Tax Increment Projections (Estimates)

## Projected Average Annual CRIA Revenue





# Tax Increment Projections (Modifications to Model)

- Modified County Participation Scenarios:
  - Old: 0%, 25%, 50%, 100%
  - New: 0%, 50%, 54% (Break-Even), 75%, 100%
- Refined model to assume:
  - Less County participation = less development
  - More conservative assumptions for 0% County participation



# Adoption

- Why adopt without County participation?
  - Multiple EFDs (Similar financing district) adopt 1<sup>st</sup> and negotiate with County later (norm)
  - Grant funding – December 2023
  - Housing Element program
  - 1st in California
  - GoBiz office Support



# CRIA Status

**Summer 2020**

- Feasibility Study Complete

**Summer 2021**

- CRIA Board Formed
- 3 Council Members Appointed to Board

**Fall 2021**

- Public Members of Board Appointed
- Meeting with County/Go Biz

**Winter/Spring 2022**

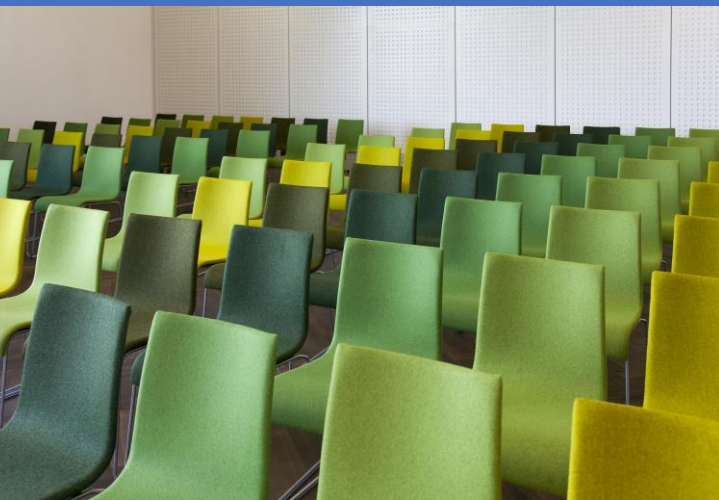
- County Coordination (on hold)

**Fall 2022/Winter  
2023**

- Board Receives CRIA Plan
- Hold Public Meeting/Hearings



# Next Steps



- Public Meeting on December 5, 2022
- 3 public hearings in 2023 on:
  - February 6
  - March 20
  - May 15





# Questions, Feedback and Next Steps

