



City of Victorville
Old Town CRIA
Public Hearing

February 6, 2023





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Staff



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City Planner

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Vice President, CDH

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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**



Why a CRIA?



	EIFD	CRIA
Governance	Separate from the establishing jurisdiction, governed by a 5+ member board.	
Eligible uses	Can finance a wide-range of public and private projects.	
Formation prerequisites	Finding of completion from DOF and compliance with State Controller's orders required.	
Funding sources	Tax increment and contributions from other taxing entities with their consent.	
What property can be included?	Any property	70% of the area must meet income and other requirements
Voter approval for bond issuance	Yes	No
Low/Mod income housing set-aside requirement	None	25% of taxes allocated to affordable housing
Ongoing reporting / audit requirements	Yes, annual report and financial audit	
Acquisition by eminent domain	No	Yes, within 12 years of formation
Funding for facilities outside of plan boundaries	Yes, but must have tangible connection to the work of the district	No
HEU sites inclusion allowed?	No	Yes, without requirements

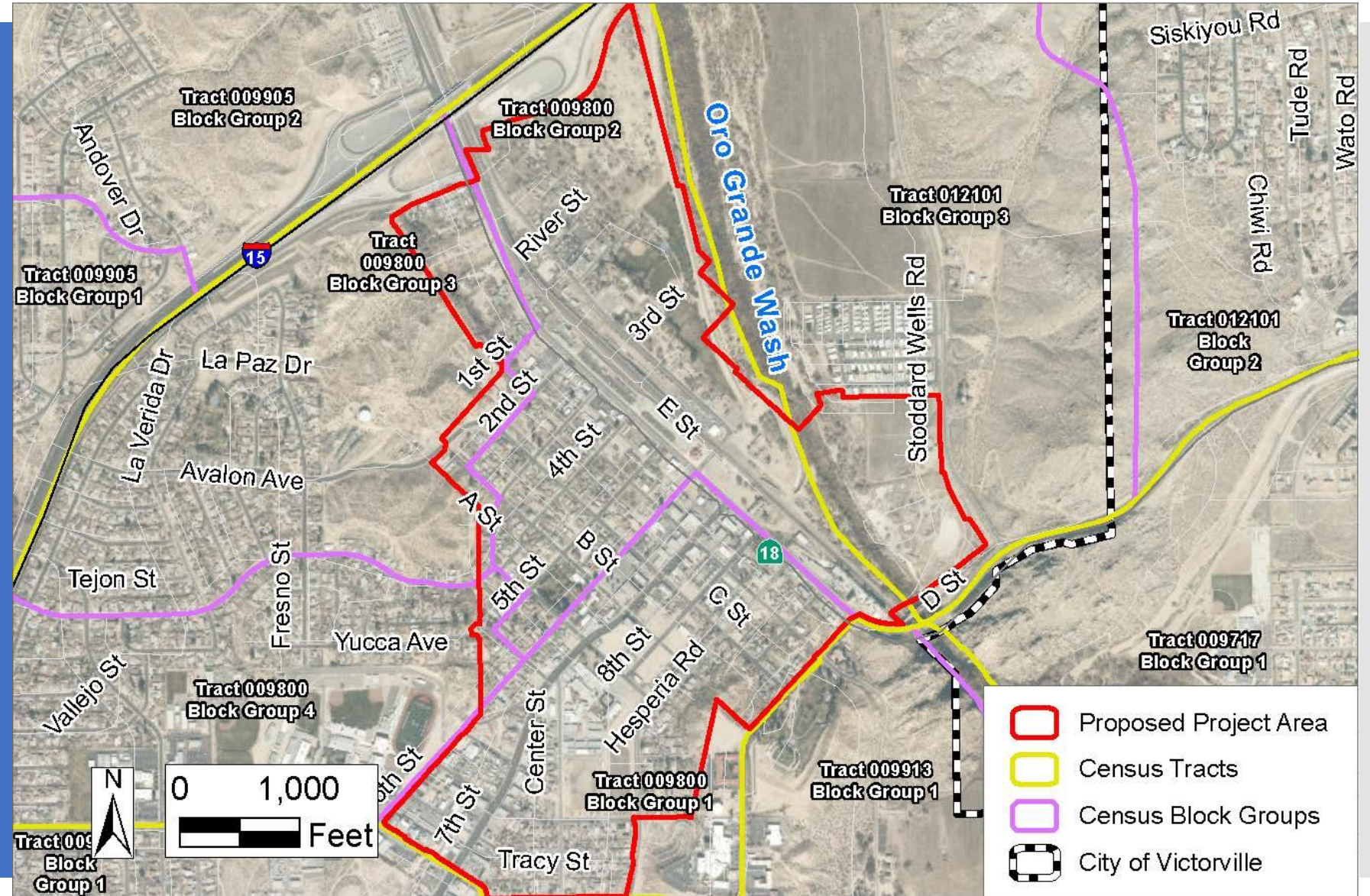


Proposed Area (Current Conditions)

- 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
- 80%+ of the area is characterized by aging, deteriorated & dilapidated structures
- Stagnant property values
- Homelessness
- Crime
 - Violent, burglary & motor vehicle theft rates 5%+ > State
 - Arson



Proposed Area (Map)





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
TOTAL	100.0%	

County has not agreed to participate yet. As of December 2022, reviewing CRIA Plan.



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 (Programs)



		Tax Increment Revenues By County Participation Level									
Year	FY	0%		50%		54% (Break-Even %) ¹		75%		100%	
		Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF	Non-LMIHF	LMIHF
0	2022-23 ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Subtotal		\$ 39,293	\$ 13,098	\$ 56,690	\$ 18,897	\$ 58,180	\$ 19,393	\$ 65,389	\$ 21,796	\$ 74,087	\$ 24,696
Total CRIA Rev.		\$52,391		\$75,587		\$77,573		\$87,185		\$98,783	

■ Housing

- Up to one \$15k residential rehabilitation loan provided – first 5 years

■ Hazardous Substances

- CRIA Board to coordinate with owners to address any threats & support grant applications

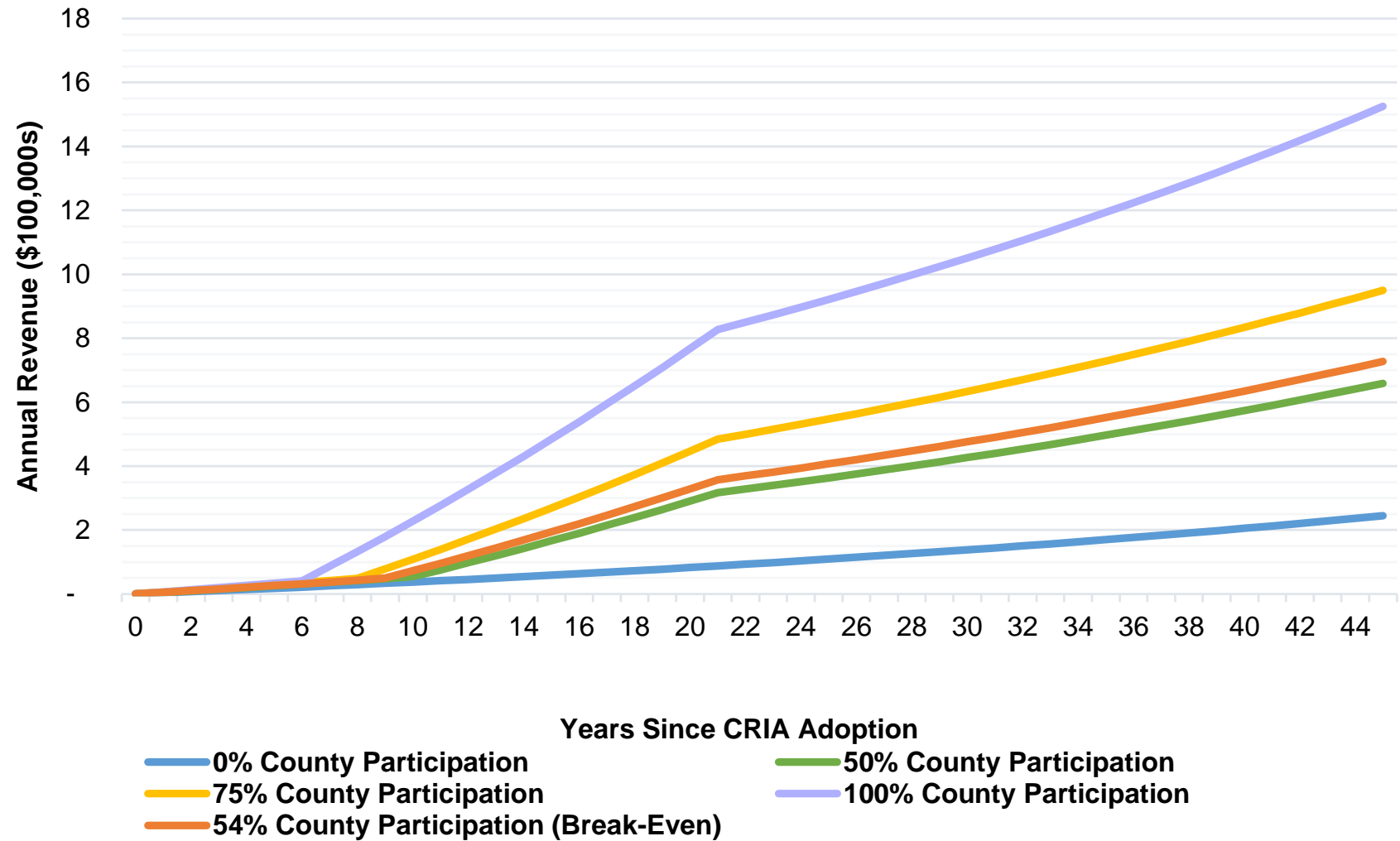
■ Economic Revitalization

- Up to four \$15k commercial rehabilitation loans – first 5 years
- Old Town Business Recruitment Packet



Tax Increment Projections (Estimates)

Projected CRIA Revenues, With New Development



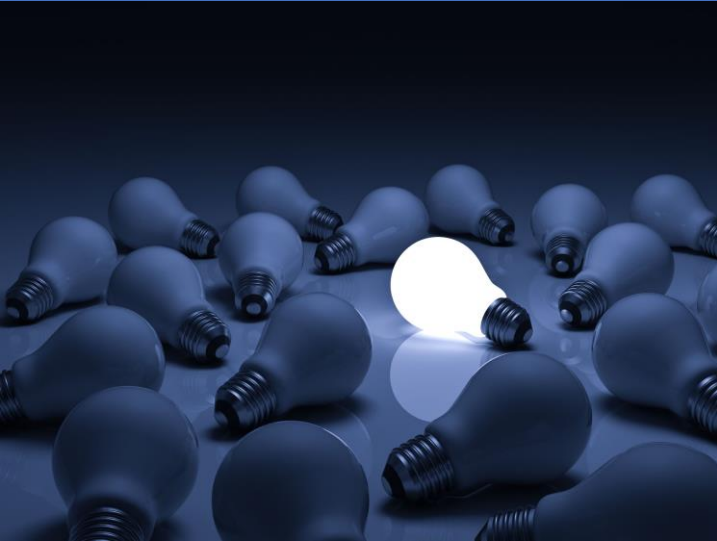


Adoption

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



Considerations



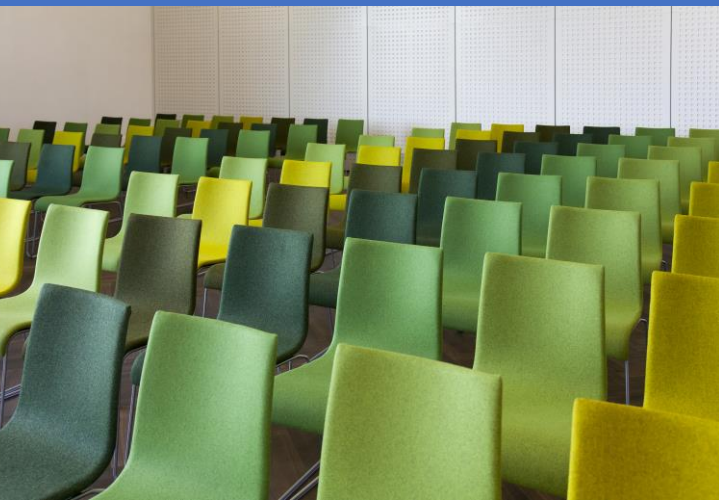
- **SB 780 – Improvements to EIFD/CRIA Tools**
 - Allows CRIAs to include Housing Element sites
 - Requires CRIA to restart the hearing and protest process
 - Generates more revenue by increasing the base year assessed value
 - Housing Element sites are deemed suitable for housing development



Next Steps

- Option A: Continue with current plan
 - 3 public hearings in 2023 on:
 - ~~February 6~~
 - March 20
 - May 15

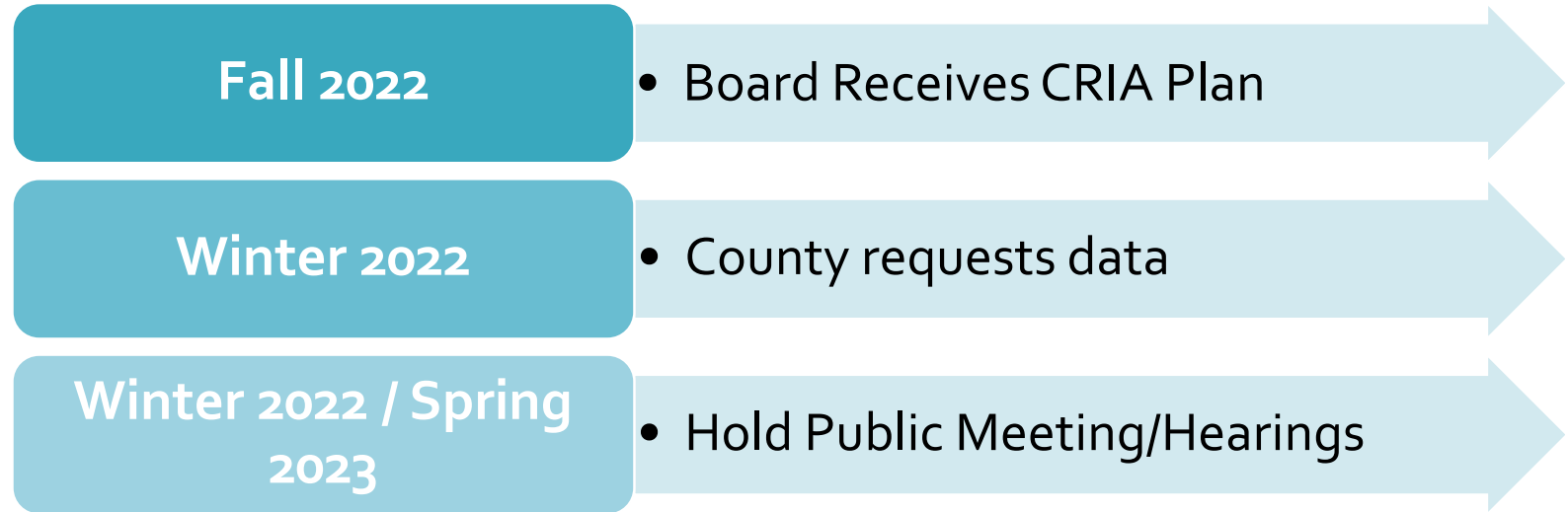
- Option B: Amend CRIA Project Area
 - Revise the CRIA Plan
 - Re-start CRIA Plan adoption process (5 meetings)



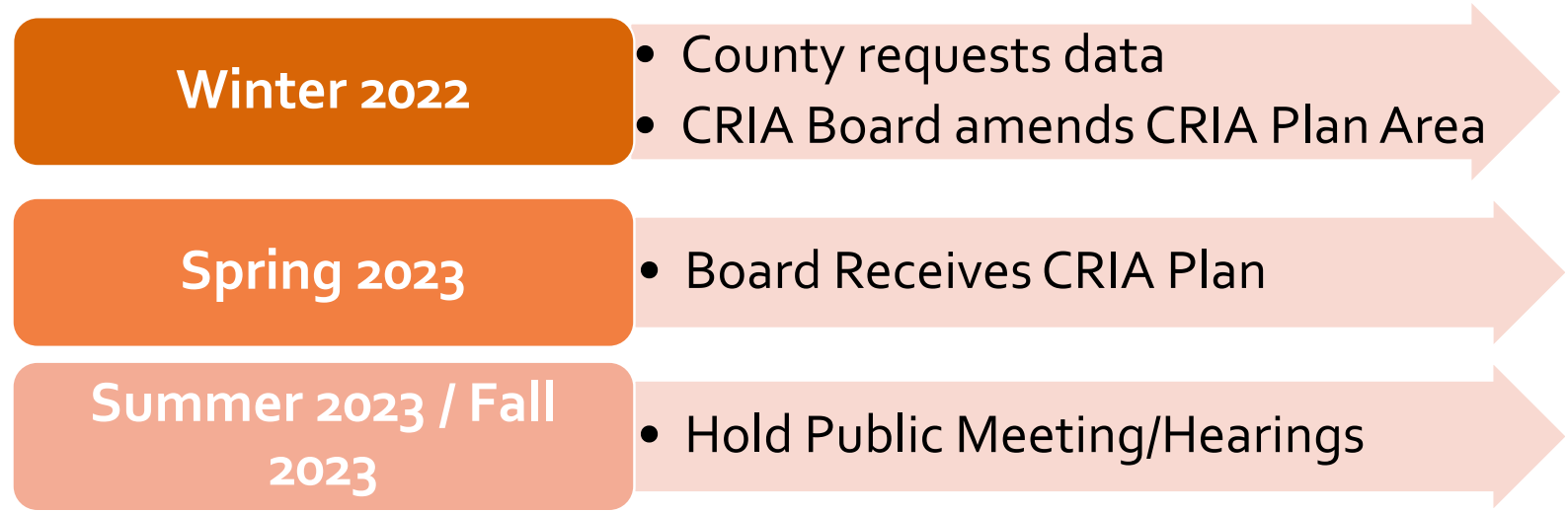


CRIA Process

Option A



Option B



Option B would add about 5 months to the CRIA timeline



Questions, Feedback and Next Steps

