



REGULAR MEETING AGENDA
125 E. College Street, Covina, California
Council Chamber of City Hall
Tuesday, May 7, 2024

**REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
PUBLIC FINANCING AUTHORITY OF THE COVINA ENHANCED
INFRASTRUCTURE FINANCING DISTRICT**
5:30 PM

IMPORTANT NOTICE

Public Comments: *During the meeting, there will be an opportunity for the public to speak. Public testimony is limited to five (5) minutes per speaker, unless, for good cause, the Chair amends the time limit; a speaker's time may not be transferred to another speaker. State Law prohibits the Authority Board Members from taking action on any item not on the agenda. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed.*

In Person: *To address the Authority Board please complete a yellow speaker request card located at the entrance of the Council Chamber and give it to the Secretary. Your name will be called when it is your turn to speak.*

CALL TO ORDER

ROLL/CALL

Authority Board Members: Victor Linares, Lynda Noriega, Kevin Stapleton, Vice Chair John C. King, and Chair Walter Allen, III

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

To address the Authority Board please complete a yellow speaker request card located at the entrance and give it to the Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Authority Board from taking action on any item not on the agenda. Individual speakers are limited to five minutes each, unless, for good cause, the Chairperson amends the time limit.

AUTHORITY COMMENTS

Authority Board Members wishing to make any announcements of public interest or to request that specific items be added to future Authority agendas may do so at this time.

STAFF COMMENTS

Staff members wishing to make any announcements of public interest or to request that specific items be added to future Authority agendas may do so at this time.

CONSENT CALENDAR PUBLIC COMMENTS

The public is invited to comment on Consent Calendar items only at this time. To address the Authority Board please complete a yellow speaker request card located at the entrance and give it to the Secretary. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each, unless, for good cause, the Chairperson amends the time limit.

CONSENT CALENDAR

All matters listed under Consent Calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Authority Board votes on them, unless a member of the Authority Board requests a specific item be removed from the Consent Calendar for discussion.

CC 1. September 5, 2023 Meeting Minutes

Staff Recommendation:

Staff recommends that the Authority Board approve the Minutes of the September 5, 2023 Special Meeting of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District.

CC 2. Consideration of PFA Resolution No. 2024-01, a Resolution Adopting a Conflict of Interest Code

Staff Recommendation:

Staff recommends that the Authority Board Adopt PFA Resolution No. 2024-01 entitled, "A Resolution of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District Adopting the Conflict of Interest Code of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District."

NEW BUSINESS

NB 1. Selection of the Chair and Vice Chair of the Authority Board.

Staff Recommendation:

Staff recommends that the Authority Board elect a Chair and Vice Chair.

NB 2. Covina EIFD Annual Report for Fiscal Year 2023-2024

Staff Recommendation:

Staff recommends that the Authority Board Receive and File the Annual Report of the Covina Enhanced Infrastructure Financing District for Fiscal Year 2023-2024.

ADJOURNMENT

The meeting of the Board of Directors of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District will adjourn to its next regular meeting of the Authority Board scheduled for August 6, 2024 at 5:30 p.m. inside the Council Chamber at City Hall, located at 125 East College Street, Covina, California, 91723.

MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development Department at (626) 384-5443. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

ALL NON-EXEMPT DOCUMENTS RELATED TO THE ITEMS ON THIS AGENDA ARE AVAILABLE TO THE PUBLIC IN THE COMMUNITY DEVELOPMENT DEPARTMENT AT 125 E. COLLEGE STREET, COVINA.



**PUBLIC FINANCING AUTHORITY OF THE COVINA
ENHANCED INFRASTRUCTURE FINANCING DISTRICT
MINUTES OF SPECIAL MEETING
September 5, 2023**

The special meeting of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District was held on Tuesday, September 5, 2023, at 5:30 pm in the Council Chamber of City Hall at 125 East College Street, Covina, California, 91723.

Board Members Present: Walter Allen III, Chair, John C. King, Vice Chair, Lynda Noriega, Kevin Stapleton

Board Members Absent: Victor Linares

Staff Present: Chris Marcarello, City Manager
Angel Carrillo, Deputy City Manager
Brian Lee, Director of Community Development
Anita Agramonte, Director of Administrative Services
Theresa Franke, Deputy Director Administrative Services
Alana Spector, Senior Management Analyst

Public Present Felicia Williams, Kosmont Companies
Joseph Dieguez, Kosmont Companies

CALL TO ORDER

The meeting was called to order at 5:38 p.m. A quorum was present.

AGENDA POSTING DECLARATION

The Agenda stated the agenda for the September 5, 2023, meeting was posted in accordance with Section 54954.2(a) of the California Government Code.

CONSENT CALENDAR

CC1. July 18, 2023 Meeting Minutes

A motion was made by King, seconded by Stapleton, to approve the July 18, 2023 meeting minutes.

Motion on Staff recommendation of CC1, was approved as follows:

AYES: Allen, King, Noriega, Stapleton

NOES: None

ABSTAIN: None

ABSENT: Linares

PUBLIC HEARINGS

PH1. Conduct a Public Hearing to Consider the Protest Proceeding for the Covina Enhanced Infrastructure Financing District (EIFD) and Based on the Results, Consider a Resolution to (1) Adopt the Infrastructure Financing Plan (IFP); and (2) Form the EIFD; and (3) Authorize Certain Other Actions relating Thereto and Adopt Resolution PFA 2023-01

Chair Allen opened the public hearing at 5:41 p.m.

Joseph Dieguez of Kosmont Companies made a presentation at the public hearing and provided updates.

No written or oral protests were received by the Board.

A motion was made by Stapleton, seconded by Noriega, to approve staff's recommendations and adopt Resolution PFA 2023-01 and close the public hearing.

Chair Allen closed the public hearing at 5:48 p.m.

Motion on Staff recommendation of PH2, was approved as follows:

AYES: Allen, King, Noriega, Stapleton

NOES: None

ABSTAIN: None

ABSENT: Linares

ADJOURNMENT

There being no further business, the meeting adjourned at 5:48 pm.

Respectfully Submitted,

Alana Spector
Senior Management Analyst
Secretary to the Board

Approved and adopted this _____ day of _____, 2023.

Walter Allen III, Chair



PFA EIFD Special Meeting

AGENDA ITEM REPORT

- Meeting:** PFA EIFD Regular Meeting – May 7, 2024
- Title:** A Resolution of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District Adopting the Conflict of Interest Code of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District
- Presented By:** Brian K. Lee, Director of Community Development
Alana Mantilla, Economic Development Manager
Joseph Dieguez, Senior Vice President, Kosmont Companies
- Recommendation:** Adopt PFA Resolution No. 2024-01 entitled, “A Resolution of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District Adopting the Conflict of Interest Code of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District.”

BACKGROUND:

On October 18, 2022 the City Council adopted a Resolution of Intention (“ROI”) to form an Enhanced Infrastructure Financing District within the City of Covina (“Covina EIFD” or “EIFD”). Pursuant to the Resolution of Intention, the Public Financing Authority of the Covina Enhanced Infrastructure Financing District (“Covina EIFD PFA”) was established as the governing board of the proposed EIFD. The Covina EIFD PFA must adopt a Conflict of Interest Code (per the Political Reform Act, Government Code section 81000 *et seq.*).

Under the Political Reform Act, all State and local government agencies are required to adopt a conflict of interest code designating positions required to file Statements of Economic Interests (Form 700), and assigning disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to inform public officials and members of the public about the types of financial interests that may create conflicts of interest. As the Covina EIFD PFA will be a government entity, separate from the City, it must have its own Conflict of Interest Code. Each member of the Covina EIFD PFA, as well as the alternates, Executive Director, and General Counsel will need to file statements of economic interests (Form 700) to disclose any financial interests. The City Clerk will maintain statements of economic interest filed by designated officials in the Conflict of Interest Code.

DISCUSSION:

The Public Financing Authority of the Covina Enhanced Infrastructure Financing District (“Covina EIFD PFA”) is a local government agency subject to the Political Reform Act (Government Code Sections 1000 *et seq.*) (“PRA”). As such, it is required to adopt and promulgate

a conflict of interest code and review the code biennially to determine if it is accurate and up-to-date.

PFA Resolution No. 2024-01, attached as Exhibit B, if approved, would adopt Covina EIFD PFA's Conflict of Interest Code ("Code"), attached as Exhibit A. The Code incorporates by reference the terms of the standard Conflict of Interest Code adopted by the Fair Political Practices Commission ("FPPC") in Section 18730 of the California Code of Regulations, as it may be amended from time to time. Additionally, the Code identifies the persons holding designated positions within the agency and their corresponding disclosure categories as well as elected officials subject to the disclosure requirements in Government Code sections 87200 et seq. The disclosure categories identify the types of economic interests that the listed positions must disclose based on the disclosure category(ies) to which they are assigned. Lastly, the Code describes the disclosure requirements of the agency's consultants.

Once adopted by the Board of Directors of the Covina EIFD PFA, the Code will be submitted to the City Council of the City of Covina for its approval as the "Code Reviewing Body" for the Covina EIFD PFA's Conflict of Interest Code. Upon approval of the Code by City Council, persons holding positions requiring the filing of Form 700s shall file their forms with the designated filing officer no later than thirty (30) days after the effective date of the Code.

The Resolution designates the Secretary of the Covina EIFD PFA as the filing officer for purposes of the PRA. As the filing officer, the Secretary will be responsible for retaining and filing all disclosure statements submitted pursuant to the Code. The Secretary shall also make such statements available for inspection and reproduction in accordance with Government Code Section 81008.

FISCAL IMPACT:

None anticipated.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

There is no environmental impact associated with the adoption of the attached Resolution.

ATTACHMENTS:

Attachment A: Conflict of Interest Code

Attachment B: PFA Resolution No. 2024-01

Respectfully submitted,

Alana Mantilla, Economic Development Manager

**CONFLICT OF INTEREST CODE OF THE
PUBLIC FINANCING AUTHORITY OF
THE COVINA ENHANCED INFRASTRUCTURE DISTRICT**

(May 7, 2024)

The Political Reform Act (Gov. Code § 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. § 18730) that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency’s code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Public Financing Authority of the Covina Enhanced Infrastructure District (the “Covina EIFD PFA”).

All Officials and Designated Positions required to submit a statement of economic interests shall file their statements with the Secretary of the Covina EIFD PFA, as Covina EIFD PFA’s Filing Officer. The Covina EIFD PFA’s Filing Officer shall retain the originals of the statements of all Officials and Designated Positions and shall make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

I. DESIGNATED POSITIONS

The positions listed below are designated positions and the individual occupying each position is deemed to make, or participate in the making of, decisions which may have a material effect on the financial interest of that individual. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories.*

POSITION	DISCLOSURE CATEGORY
Executive Director	1, 2, 3, 4, 5, 6
General Counsel	1, 2, 3, 4, 5, 6
Consultants	<i>See Consultants: Disclosure Requirements</i>

II. ARTICLE II FILERS

Government Code Section 87200 *et seq.* [Regs. § 18700.3(b)]

The Members of the Board of Directors and the Alternate Members of the Board of Directors of the the Covina EIFD PFA are not included as “designated positions” as the disclosure obligations for these positions are set forth by Government Code Section 87200, *et seq.* Listed below for reference are their disclosure categories.

POSITION	DISCLOSURE CATEGORY
Members of the Board of Directors	Reference GC 87200-87210
Members of the Board of Directors (Alternate)	Reference GC 87200-87210

III. DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.* Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the Covina EIFD PFA.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Covina EIFD PFA.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside the jurisdiction of the Covina EIFD PFA.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of the Covina EIFD PFA.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Covina EIFD PFA.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, which are subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

Consultants: Disclosure Requirements¹

Designated Consultants	Disclosure Requirements
Consultants who make (not just recommend) governmental decisions , such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant Covina EIFD PFA approval to a plan, design, report, study, or adopt or grant Covina	All reportable <u>interests in real property</u> in the jurisdiction; reportable <u>income</u> and <u>business positions</u> ; reportable <u>investments</u> ; and reportable <u>gifts</u> , unless the Executive Director determines in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not

EIFD PFA approval of policies, standards, or guidelines for the Covina EIFD PFA or any subdivision thereof.	required to fully comply with the disclosure requirements described in the section. ²
Consultants who serve in a staff capacity with the Covina EIFD PFA , and in that capacity <u>participate in making</u> a governmental decision by <u>providing information, an opinion, or a recommendation</u> for the purpose of affecting the decision <u>without significant intervening substantive review</u> .	Disclosure required at the same level as a comparable designated position in the same or similar Position or Department identified elsewhere in this Code.
Consultants who perform the same or substantially all the same duties for the Covina EIFD PFA that would otherwise be performed by an individual holding a designated position in the Covina EIFD PFA's Conflict of Interest Code.	Disclosure required at the same level as the comparable designated position identified elsewhere in this Code.

* This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

¹ When the consultant is a corporation or partnership, only individuals who fit into one of the three categories of "Designated Consultants" must file disclosure statements.

² If the Executive Director determines in writing that a particular consultant is not required to fully comply with the requisite disclosure requirements, then such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

PFA RESOLUTION NO. 2024-01

A RESOLUTION OF THE PUBLIC FINANCING AUTHORITY OF THE COVINA ENHANCED INFRASTRUCTURE FINANCING DISTRICT ADOPTING THE PUBLIC FINANCING AUTHORITY OF THE COVINA ENHANCED INFRASTRUCTURE FINANCING DISTRICT CONFLICT OF INTEREST CODE

WHEREAS, the California Legislature enacted Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (“EIFD Law”) authorizing cities to form enhanced infrastructure financing districts (“EIFDs”) and authorizing EIFDs to use specified property tax increment revenue generated within their boundaries to finance certain public facilities and projects of communitywide significance that provide significant benefits to the EIFDs or the surrounding community; and

WHEREAS, on October 18, 2022, the City Council of the City of Covina adopted Resolution CC 2022-113, which initiated the process to establish the City of Covina Enhanced Infrastructure Financing District (“Covina EIFD”) pursuant to EIFD Law and established the Public Financing Authority of the Covina Enhanced Infrastructure District (“Covina EIFD PFA”) to serve as the governing board of the Covina EIFD; and

WHEREAS, on March 21, 2023, pursuant to Government Code Section 53398.63, the Public Financing Authority of the Covina Enhanced Infrastructure District directed the Executive Director to prepare a draft infrastructure financing plan (“IFP”) for the Covina EIFD, which defines the boundaries of the Covina EIFD, identifies the public facilities and improvements to be financed with assistance from the Covina EIFD, and a plan for using tax increment generated in the Covina EIFD to finance the public facilities and improvements identified in the draft IFP, including the issuance of bonds and other debt; and

WHEREAS, the Public Financing Authority of the Covina Enhanced Infrastructure District held three duly noticed public hearings on the draft IFP in accordance with Government Code Section 53398.66 and considered written and oral comments regarding the proposed Covina EIFD and draft IFP; and

WHEREAS, on June 20, 2023, the City Council adopted Resolution CC 2023-43 approving the draft IFP and respective contribution of property tax increment to the Covina EIFD; and

WHEREAS, in accordance with EIFD Law, on September 5, 2023, the Public Financing Authority of the Covina Enhanced Infrastructure District adopted the IFP and formally declared the existence of the Covina EIFD; and

WHEREAS, on September 21, 2023, the Secretary of the Covina EIFD PFA filed the required Form 400 with the State Board of Equalization; and

WHEREAS, the Political Reform Act (Government Code Sections 81000 *et seq.*) (“PRA”) requires State and local government agencies to adopt and promulgate conflict of interest codes and the Covina EIFD is a local government agency within the purview of the PRA; and

WHEREAS, the Fair Political Practices Commission (“FPPC”) has adopted a regulation, Section 18730 of the California Code of Regulations, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and which may be amended by the FPPC to conform to amendments in the PRA after public notice and hearings; and

WHEREAS, the Public Financing Authority of the Covina Enhanced Infrastructure District desires to adopt the model Conflict of Interest Code set forth in Section 18730 of the California Code of Regulations along with a list of designated public officials and employees and disclosure categories to constitute the Conflict of Interest Code of the Covina EIFD (Exhibit A).

NOW, THEREFORE, the Board of Directors of the Public Financing Authority of the Covina Enhanced Infrastructure Financing District hereby resolves as follows:

Section 1. The facts set forth in the Recitals of this Resolution are true and correct.

Section 2. The Board of Directors of the Public Financing Authority of the Covina Enhanced Infrastructure District hereby adopts the proposed Conflict of Interest Code (Exhibit A), which incorporates by reference the terms of Section 18730 of Title 2 of the California Code of Regulations and any amendments thereto duly adopted by the FPPC.

Section 3. Designated employees and officials who manage public investments shall file with the Secretary of the Covina EIFD PFA Statements of Economic Interests on FPPC forms, in conformance with the individual disclosure categories and State law. Statements will be available for inspection and reproduction pursuant to Government Code Section 81008.

Section 4. The Secretary of the Public Financing Authority of the Covina Enhanced Infrastructure District shall be and perform the duties of filing officer for purposes of the Conflict of Interest Code for the Covina EIFD. The Secretary of the Public Financing Authority of the Covina Enhanced Infrastructure District shall retain all statements for all designated employees and officials who manage public investments.

Section 5. Any violation of any provision of the Conflict of Interest Code is subject to the administrative, criminal, and civil sanctions provided in the Political Reform Act, Government Code Section 81000 et seq.

Section 6. The Conflict of Interest Code shall be submitted to the City Council of the City of Covina for approval and said Code shall become effective thirty (30) days after the City Council of the City of Covina approves the proposed Conflict of Interest Code as submitted.

Section 7. The Secretary of the Public Financing Authority of the Covina Enhanced Infrastructure District shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 7th day of May, 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAINED: BOARD MEMBERS:

SIGNATURE: _____

Chair, Public Financing Authority of the Covina EIFD

ATTEST: _____

Secretary, Public Financing Authority of the Covina EIFD



PFA EIFD Special Meeting

AGENDA ITEM REPORT

Meeting:	PFA EIFD Regular Meeting – May 7, 2024
Title:	Covina EIFD Annual Report Fiscal Year 2023-2024
Presented By:	Brian K. Lee, Director of Community Development Alana Mantilla, Economic Development Manager Joseph Dieguez, Senior Vice President, Kosmont Companies
Recommendation:	Receive and File the Annual Report of the Covina Enhanced Infrastructure Financing District for Fiscal Year 2023-2024.

BACKGROUND:

The City Council of the City of Covina established the Public Financing Authority (“PFA”) for the Covina Enhanced Infrastructure Financing District (“Covina EIFD”) at its regular meeting on October 18, 2022. The purpose of the PFA was to establish and implement the Covina EIFD. The Infrastructure Financing Plan for the Covina EIFD (“IFP”) was adopted by the City Council on June 20, 2023 and separately by the PFA on September 5, 2023.

The PFA is a governmental entity that may use future incremental City property tax revenue from within the geographical boundaries of the Covina EIFD to fund public capital facilities and infrastructure, as well as other specified projects of communitywide significance that provide significant benefits to properties within the Covina EIFD as well as the surrounding community. EIFDs are funded by capturing all or a portion of the future property tax increment revenue (i.e., the difference in property taxes received by the City prior to and after establishment of the EIFD) generated within the boundaries of the EIFD. Thus, there are no new taxes imposed on the public through the EIFD. The EIFD may finance projects through the issuance of bonds or other debt and/or under a “pay-go” model where money is spent as it is collected. The requirements for the City’s establishment of an EIFD are set forth in California Government Code Sections 53398.50 and following (referred to as the “EIFD Law”).

The Covina EIFD encompasses approximately 213 acres of land, representing approximately 5% of the City’s total 4,512 acres. The Covina EIFD includes the City’s Town Center Specific Plan Area and the Citrus Avenue Mixed-Use Corridor areas within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit.

DISCUSSION:

The Community Development Department’s Special Projects Division and Kosmont Companies, consultant, in conjunction with other supporting City of Covina departments, have prepared the Covina EIFD’s Fiscal Year 2023-2024 Annual Report (Attachment A).

The Covina EIFD was established in September 2023 with Fiscal Year 2023-2024 as its base year, and tax increment revenue anticipated to begin accrual in Fiscal Year 2024-2025. As Fiscal Year 2023-2024 is the base year for the EIFD, there are no revenues or expenditures to report in FY 2023-2024, consistent with expectations.

In future years, when there are revenues or expenditures to report, a draft Annual Report will be made available to the public on the Covina EIFD’s website at least 30 days in advance of a Public Hearing of the PFA on the Annual Report. In addition, a written notice will be mailed to all residents and landowners within the area covered by the IFP, as required by the EIFD Law.

In order to comply with the established requirements, the District’s Fiscal Year 2023-2024 Annual Report includes the following sections:

I. A description of the projects undertaken in Fiscal Year 2023-2024.

There were no projects undertaken in Fiscal Year (“FY”) 2023-2024, which is consistent with the progress expected to be made at this point.

II. A chart comparing the actual revenue and expenses, including administrative costs, of the PFA to the budgeted revenues and expenses.

The Covina EIFD was established in September 2023 with FY 2023-2024 as its base year, and tax increment revenue anticipated to begin accrual in FY 2024-2025. As FY 2023-2024 is the base year for the Covina EIFD, there are no revenues or expenditures to report in FY 2023-2024, consistent with expectations.

III. The amount of tax increment revenue received.

As FY 2023-2024 is the base year for the Covina EIFD, there are no revenues to report in FY 2023-2024, consistent with expectations.

IV. An assessment of the status regarding completion of the Covina EIFD’s projects.

The Covina EIFD is in the early phase of building a stabilized revenue stream that could be leveraged for future projects and potential debt issuance(s). Accordingly, no EIFD projects have been funded, which is consistent with expectations at this time.

V. The amount of revenue expended to assist private businesses.

As of the date of this Annual Report, no revenues have been expended to assist private businesses. This is consistent with expectations at this time.

FISCAL IMPACT:

There is no fiscal impact associated with this action. For the Covina EIFD, a portion of future property tax revenue increases from properties within the Covina EIFD that would otherwise be

received in the City's general fund are allocated to the Covina EIFD for the purpose of funding infrastructure and other public improvements in accordance with the IFP for the Covina EIFD.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The Community Development Director has determined that the Recommended Action described in this Staff Report is not subject to the California Environmental Quality Act ("CEQA") since it is not in-and-of-itself a "project" (pursuant to CEQA Guidelines Section 15378). Additionally, the Recommended Action is exempt from CEQA since it can be determined with certainty that there is no possibility it will result in a significant effect on the environment. However, future actions (such as the funding of infrastructure improvements using funding from the Covina EIFD) will be subject to environmental review in accordance with CEQA at the "earliest feasible time" prior to "approval" consistent with CEQA Guidelines Sections 15004 and 15352.

ATTACHMENTS:

Attachment A: Covina EIFD Annual Report FY 2023-2024

Respectfully submitted,

Alana Mantilla, Economic Development Manager

COVINA ENHANCED INFRASTRUCTURE FINANCING DISTRICT

**ANNUAL REPORT
FISCAL YEAR 2023-2024**

Prepared For:

The City of Covina



Prepared By:



MAY 2024

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The 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.

1.0 Introduction

1.1 Background and Purpose

The City Council of the City of Covina established the Public Financing Authority (“PFA”) for the Covina Enhanced Infrastructure Financing District (“Covina EIFD”) at its regular meeting on October 18, 2022. The purpose of the PFA was to establish and implement the Covina EIFD. The governing Infrastructure Finance Plan (“IFP”) was adopted by the City Council on June 20, 2023 and separately by the PFA on September 5, 2023.

The Covina EIFD encompasses approximately 213 acres of land, representing approximately 5% of the City’s total 4,512 acres. The Covina EIFD includes the City’s Town Center Specific Plan Area and the Citrus Avenue Mixed-Use Corridor areas within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit.

This Annual Report is prepared pursuant to Government Code Section 53398.66 and presents the following information:

- a) A description of the projects undertaken in the fiscal year, including any rehabilitation of structures, and a comparison of the progress expected to be made on those projects compared to the actual progress.
- b) A chart comparing the actual revenue and expenses, including administrative costs, of the public financing authority to the budgeted revenue and expenses.
- c) The amount of tax increment revenue received.
- d) An assessment of the status regarding completion of the enhanced infrastructure financing district’s projects.
- e) The amount of revenue expended to assist private businesses.

2.0 Description of Projects in FY 2022-23

There were no projects undertaken in Fiscal Year (“FY”) 2023-24, which is consistent with the progress expected to be made at this point.

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3.0 Actual vs. Budgeted Revenues and Expenses

The Covina EIFD was established in September 2023 with FY 2023-24 as its base year, and tax increment revenue anticipated to begin accrual in FY 2024-25. As FY 2023-24 is the base year for the EIFD, there are no revenues or expenditures to report in FY 2023-24, consistent with expectations.

Table 1: Projected and Actual Revenue and Expenses

	PROJECTED Revenues	PROJECTED Expenditures (incl. Admin)	PROJECTED Net Revenue	ACTUAL Revenues	ACTUAL Expenditures (incl. Admin)	ACTUAL Net Revenue
FY 2023-24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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4.0 Tax Increment Revenue Received

As FY 2023-24 is the base year for the EIFD, there are no revenues to report in FY 2023-24, consistent with expectations.

Table 2: EIFD Tax Increment Revenue Received

Year	Annual EIFD Revenues	Cumulative EIFD Revenues
FY 2023-24	\$0.00	\$0.00

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The 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.

5.0 EIFD Project Status

The EIFD is in the early phase of building a stabilized revenue stream that could be leveraged for future projects and potential debt issuance(s) accordingly. No EIFD projects have been funded, which is consistent with City and PFA expectations at this time.

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6.0 Revenue Expended for Private Business

As of the date of this Annual Report, no revenues have been expended to assist private businesses. This is consistent with City and the PFA expectations at this time.

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