CITY OF COVINA ENHANCED INFRASTRUCTURE FINANCING DISTRICT

INFRASTRUCTURE FINANCING PLAN

Prepared For:

City of Covina

Prepared By:

APRIL 2023

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1.0 Introduction

1.1 Background & Purpose

The proposed Covina Enhanced Infrastructure Financing District ("Covina EIFD" or "District") will serve as a catalyst for private investment and critical regional infrastructure to support affordable housing and economic development in the City of Covina ("City") and the San Gabriel Valley region of Los Angeles County ("County"). The Covina EIFD encompasses approximately 213 acres of land, representing approximately 5% of the City's total approximately 4,512 acres. The Covina EIFD includes the 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.

1.2 Contents and Overview of this Infrastructure Financing Plan ("IFP")

Pursuant to Government Code Sections 53398.59 through 53398.74, this IFP comprises the following information:

a) A map and legal description of the District, included herein as Appendix A and Appendix B, respectively.

b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance. This information is included in Section 3 of this IFP.

c) If funding from affected taxing entities is incorporated into the financing plan, a finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district. This information is included in Section 4 of this IFP.

d) A financing section (included in Section 5 of this IFP), which shall contain all of the following information:

   a. A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time. The maximum portion of the City's property tax increment to be committed to the District will be 50% throughout the duration of the District lifetime, which is projected to be forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the Public Financing Authority ("PFA").

b. A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year. Section 5.3 of this IFP includes a projection of tax revenues to be received by the District by year over the course of forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA. These projections are based on research and analysis of available data at the time of IFP preparation for purposes of illustration. Actual results may differ from those expressed in this document. Appendix C provides additional detail for the projected revenue analysis.

c. A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt. Section 5.4 of this IFP includes a plan for financing the public facilities to be assisted by the District. The PFA governing the District intends to incur debt only when it is financially prudent to do so. It is estimated at this time that the EIFD will contribute approximately $11 million (in present value dollars) to public improvements and affordable housing projects from a combination of bond or loan proceeds (multiple issuances may be necessary) and pay-as-you-go funding over the District lifetime. This is equivalent to approximately $27 million (nominal dollars).

d. A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan. The total number of dollars or taxes that may be allocated to the District shall not exceed $60 million (nominal dollars).

e. A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to subdivision (a) of Section 53398.81, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87. The District will cease to exist the earlier of: (i) forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2100. This IFP assumes that the District will be formed in Fiscal Year 2022-2023 and will begin receiving tax revenues in Fiscal Year 2023-2024.

f. An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district. Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City for providing facilities and services to the area of the District. It is estimated that, at Year 15 of the District lifetime (assumed stabilized buildout of District area), annual costs to the City will be approximately $982,400 to service the area of the District.

g. An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity. Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City as the only affected taxing entity that is contributing tax increment revenues to the District. It is estimated that, at Year 15 of the District lifetime, the District area will generate an annual net fiscal surplus of $222,000 to the City.

h. A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project. At this time, the PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470.

e) If any dwelling units within the territory of the district are proposed to be removed or destroyed in the course of public works construction within the area of the district or private development within the area of the district that is subject to a written agreement with the district or that is financed in whole or in part by the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53398.56. The PFA does not anticipate that any housing units will be removed as a result of any project identified in this IFP. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.

f) The goals the district proposes to achieve for each project financed pursuant to Section 53398.52. Section 7 of this IFP summarizes the goals of each project to be financed by the District.

2.0 Description of the Proposed District

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.

The District includes commercial corridors along Citrus Avenue and San Bernardino Road, as well as industrial and transit-oriented areas along the Metrolink rail line. Land use designations primarily include commercial and services along with multi-family residential, and to a lesser extent, facilities, industrial, and general office designations. Appendix A includes a map of the proposed District, and Appendix B is a legal description of the District.

3.0 Description of Proposed Facilities and Development

3.1 Anticipated Future Private Development

Anticipated future private development is summarized in Table 1 below, anticipated to occur across the Town Center Specific Plan Area and the Citrus Avenue Mixed-Use Corridor areas, and other targeted opportunity site areas as identified on the map in Appendix A. Buildout and absorption of these land uses are forecasted in the first 20 years of the District lifetime.

Table 1: Anticipated Future Private Development

Development Type	SF / Units	AV Per SF / Unit	Estimated AV at Buildout (2022$)
Rental Residential	160 units	$300,000 per unit	$48,000,000
For Sale Residential	210 units	$600,000 per unit	$126,000,000
Commercial / Retail	35,000 SF	$250 PSF	$8,750,000
Office	35,000 SF	$200 PSF	$7,000,000
Industrial / Flex	35,000 SF	$165 PSF	$5,775,000
Estimated Total			**$195,525,000**

3.2 Public Facilities to be Financed with Assistance from the Covina EIFD

The PFA intends to utilize the District to contribute approximately $11 million (in present-value dollars) of funding to infrastructure and affordable housing projects of communitywide and regional significance over the District lifetime. This is equivalent to approximately $27 million (nominal dollars). Table 2 outlines an estimate of anticipated EIFD projects and budget allocations over the District’s lifetime.

*Table 2: Estimated Priority EIFD Projects / Funding Allocations**

#	PROJECT	ESTIMATED COST / ALLOCATION	ESTIMATED TIMING
1	Civic / Administrative and Public Safety Facilities	$7.7 million	2023-2045 *(to be revisited annually by PFA for prioritization)*
2	FAIR District Property Acquisition	$1.0 million	
3	Park Expansion and Connectivity	$0.3 million	
4	Pedestrian Connectivity and Beautification	$1.0 million	
5	Utility Infrastructure	$1.0 million	
Estimated Total Costs / Budget Allocation		**$11.0 million**	***(present-value dollars)***

**The above conceptual budget provides a snapshot of current infrastructure needs and may be modified by City Council recommendations and approval by the PFA. Funds may be adjusted depending on future needs, project costs, and/or funding availability from other sources.*

1. Civic / Administrative and Public Safety Facilities

The City's civic and public safety buildings are experiencing a high level of disrepair due to their age, existing material, and historic lack of availability of general funds. As such, funding is needed to bring them up to modern standards or to begin the process of replacing these buildings, should facilities needs assessments necessitate it. This includes City Hall, the existing Library, the Police Station, and Fire Station 154.

1B. Acquisition and Rehabilitation Costs of Regional Dispatch Center/Emergency Operations Center

In an effort to reduce public safety costs, support mutual aid, provide more effective and standardized levels of service, increase responsiveness to 911 calls, and foster better preparation for mass casualty events, the City has entered into preliminary discussions to create a regional safety dispatch center within City boundaries. The potential regional dispatch center would require funding for both acquisition and rehabilitation, though future costs may be partially offset by payments from participating agencies. This site would also house a permanent place for the full buildout of the City's Emergency Operations Center (EOC) to serve as a command post when activated and for emergency training purposes.

2. FAIR District Property Acquisition

The so-called "FAIR District" is located in the heart of the EIFD, and is intended to foster growth for industries related to recreation activities, food and beverage, entertainment, and the arts. As part of this revitalization effort, the City will need to acquire land that visitors can use for parking while visiting the district. Additionally, property acquisition within the district is desired to create pocket parks and other public improvements. This also includes acquisition to foster pedestrian connectivity with other parts of the Downtown and the Recreation Village.

3. Park Expansion and Connectivity

Cougar Park, located between W. Puente Street and S. Citrus Avenue, lacks direct access and connectivity to these main thoroughfares. Although it is widely used, expansion of the park to foster better access has been a priority for many years. Funding for this project would be able to make the park more accessible and provide greater visibility, improving safety.

4. Pedestrian Connectivity and District Beautification

The City recognizes the need to enhance connectivity within the downtown corridor and improve pedestrian walkability as a way to encourage use of public transportation and reduce reliance on personal motor vehicles. This must also be combined with wayfinding signage and details which support placemaking and beautification to make pedestrians feel more welcome. The addition of stylized crosswalks and bulb-outs will provide an additional layer of pedestrian safety. Funding will generally be used on items such as sidewalks, signage, district branding, landscaping, and roadway improvements.

5. Utility Infrastructure

To support the increase in use of the FAIR district and Downtown area, utility upgrades and improvements to the stormwater and sewer systems will be necessary. Street improvements in the subject areas will complement any infrastructure upgrades needed.

Additional expenditures by the EIFD, including any use of potential future EIFD bond proceeds, will be subject to City Council recommendations and approval by the PFA. Targeted improvements would conform to established guidelines in existing, adopted planning documentation, such as the City General Plan. Eligible expenditures in accordance with Government code sections 53398.52 and 53398.56 include the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer. The EIFD may finance planning and design activities that are directly related to the purchase, construction, expansion, or rehabilitation of these projects. Example projects may include, but not be limited to, the following:

a) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities
b) Sewage treatment and water reclamation plants and interceptor pipes
c) Facilities for the collection and treatment of water for urban uses
d) Flood control levees and dams, retention basins, and drainage channels
e) Childcare facilities, libraries, and other government facilities
f) Parks, recreational facilities, and open space
g) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles

h) Brownfield restoration and other environmental mitigation
i) The acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase
j) Projects that enable communities to adapt to the impacts of climate change, including, but not limited to, higher average temperatures, decreased air and water quality, the spread of infectious and vector-borne diseases, other public health impacts, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought
k) The acquisition, construction, or improvement of broadband Internet access service
l) Acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic and of ensuring the long-term economic sustainability of small businesses
m) Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

The PFA intends to continue to identify, evaluate, and pursue additional funding sources and financing mechanisms aside from District tax increment to implement the improvements identified above, potentially including grant sources, impact fees, private sector investment incentivized by the formation of the EIFD itself, and/or other sources.

Private sector developers will be responsible for funding project-specific / fair-share / in-tract infrastructure, unless otherwise outlined in this IFP. Some public facilities included in the EIFD area are anticipated to be provided by governmental entities without assistance from the District. There are no public facilities anticipated to be provided jointly by the private sector and governmental entities, however it is possible that private sector developers may advance funding for improvements such as brownfield site remediation, with anticipation to be partially reimbursed with EIFD proceeds. Such case-specific agreements would come before the PFA for approval at the appropriate time.

4.0 Finding of Communitywide Significance

Implementation of the District promotes the goals of the City's General Plan and Town Center Specific Plan by including sites that are well-positioned to be catalyzed by infrastructure enhancements and public improvements, particularly in the Downtown and Arts District neighborhoods. Additional benefits would include upgrades to the core civic center campus, including City Hall and police station improvements.

The District additionally supports numerous economic development objectives, including job creation, workforce development, affordable housing, homeless prevention, improvement of quality of life, and promotion of environmental sustainability, including a portion designated as Disadvantaged Community (DAC) census tract based on the California Environmental Protection Agency (CalEPA) CalEnviroScreen tool (version 3.0).

Specific communitywide and regional benefits anticipated to be generated by the District include:

- $2.2 million in net fiscal surplus to the City over 50 years (on a present-value basis)
- 370 housing units within the District, including housing at multiple income levels
- 2,144 direct, indirect, and induced temporary, construction-related jobs in the City and County
- 218 direct, permanent jobs in the City
- 111 additional indirect and induced permanent jobs in the City and County (total of 329 direct, indirect, and induced jobs)
- $316 million in economic output from construction in the City and County
- $46 million in annual ongoing economic output in the City and County.

5.0 Financing Section

Projections included in this IFP are based on research and analysis of available data at the time of IFP for purposes of planning and illustration. Actual results may differ from those expressed in this document.

The Covina EIFD will be funded by property tax increment from the City as taxing entity. No other taxing entity is contributing property tax increment to the District. It is anticipated that property tax increment will be utilized on both a “pay-as-you-go” basis as well as security for tax increment bond issuance or loan acquisition.

More than half of the Covina EIFD overlaps with former Covina RDA project area boundaries, specifically with areas designated RDA 1, RDA 2, and RDA 2 Annex. Thus, property tax from overlapping areas will be subordinate to Recognized Obligation Payment Schedule (ROPS) obligations of approx. $24.6 million through 2024. Residual revenues to taxing entities such as the City from the Redevelopment Property Tax Trust Fund (RPTTF) will still be available to a TIF district on an annual basis, after the then-current period ROPS payments are paid.

The analysis and projections herein reflect the City’s intention to dedicate incremental property tax revenue allocated to the City in lieu of motor vehicle license fees to the District pursuant to Government Code Section 53398.75(e)(1) in addition and in proportion to incremental AB8 property tax.

5.1 Maximum Portion of Incremental Tax Revenue Dedicated to the District

The maximum portion of the City’s property tax increment to be committed to the District will be 50% throughout the District lifetime.

5.2 Projection of District Tax Revenues by Year

Table 3 provides an overview of the projected growth of assessed value, property tax increment, and City contributions to the District over the District lifetime. It is expected that a total of $26,945,630 of incremental tax revenues will be allocated to the District by the City.

Table 3: Projection of District Revenues by Year

				City Contribution			
	Fiscal Year	**Incremental Assessed Value**	**Property Tax Increment @ 1% General Levy**	**Average City Share Available**	**City Increment Available**	**Portion of City Share Allocated**	**City Increment Allocated to EIFD**
0	2023 / 2024	$0	$0	15.40%	$0	50%	$0
1	2024 / 2025	$73,918,974	$739,190	15.40%	$113,835	50%	$56,918
2	2025 / 2026	$147,411,043	$1,474,110	15.40%	$227,013	50%	$113,507
3	2026 / 2027	$223,613,187	$2,236,132	15.40%	$344,364	50%	$172,182
4	2027 / 2028	$239,671,807	$2,396,718	15.40%	$369,095	50%	$184,547
5	2028 / 2029	$256,083,286	$2,560,833	15.40%	$394,368	50%	$197,184
6	2029 / 2030	$272,855,316	$2,728,553	15.40%	$420,197	50%	$210,099
7	2030 / 2031	$289,995,753	$2,899,958	15.40%	$446,593	50%	$223,297
8	2031 / 2032	$307,512,626	$3,075,126	15.40%	$473,569	50%	$236,785
9	2032 / 2033	$325,414,136	$3,254,141	15.40%	$501,138	50%	$250,569
10	2033 / 2034	$343,708,660	$3,437,087	15.40%	$529,311	50%	$264,656
11	2034 / 2035	$362,404,761	$3,624,048	15.40%	$558,103	50%	$279,052
12	2035 / 2036	$381,511,181	$3,815,112	15.40%	$587,527	50%	$293,764
13	2036 / 2037	$401,036,857	$4,010,369	15.40%	$617,597	50%	$308,798
14	2037 / 2038	$420,990,915	$4,209,909	15.40%	$648,326	50%	$324,163
15	2038 / 2039	$441,382,681	$4,413,827	15.40%	$679,729	50%	$339,865
16	2039 / 2040	$460,212,335	$4,602,123	15.40%	$708,727	50%	$354,363
17	2040 / 2041	$479,418,581	$4,794,186	15.40%	$738,305	50%	$369,152
18	2041 / 2042	$499,008,953	$4,990,090	15.40%	$768,474	50%	$384,237
19	2042 / 2043	$518,991,132	$5,189,911	15.40%	$799,246	50%	$399,623
20	2043 / 2044	$539,372,955	$5,393,730	15.40%	$830,634	50%	$415,317
21	2044 / 2045	$560,162,414	$5,601,624	15.40%	$862,650	50%	$431,325
22	2045 / 2046	$581,367,662	$5,813,677	15.40%	$895,306	50%	$447,653
23	2046 / 2047	$602,997,015	$6,029,970	15.40%	$928,615	50%	$464,308
24	2047 / 2048	$625,058,956	$6,250,590	15.40%	$962,591	50%	$481,295
25	2048 / 2049	$647,562,135	$6,475,621	15.40%	$997,246	50%	$498,623
26	2049 / 2050	$670,515,377	$6,705,154	15.40%	$1,032,594	50%	$516,297
27	2050 / 2051	$693,927,685	$6,939,277	15.40%	$1,068,649	50%	$534,324
28	2051 / 2052	$717,808,239	$7,178,082	15.40%	$1,105,425	50%	$552,712
29	2052 / 2053	$742,166,403	$7,421,664	15.40%	$1,142,936	50%	$571,468
30	2053 / 2054	$767,011,731	$7,670,117	15.40%	$1,181,198	50%	$590,599
31	2054 / 2055	$792,353,966	$7,923,540	15.40%	$1,220,225	50%	$610,113
32	2055 / 2056	$818,203,045	$8,182,030	15.40%	$1,260,033	50%	$630,016
33	2056 / 2057	$844,569,106	$8,445,691	15.40%	$1,300,636	50%	$650,318
34	2057 / 2058	$871,462,488	$8,714,625	15.40%	$1,342,052	50%	$671,026
35	2058 / 2059	$898,893,738	$8,988,937	15.40%	$1,384,296	50%	$692,148
36	2059 / 2060	$926,873,613	$9,268,736	15.40%	$1,427,385	50%	$713,693
37	2060 / 2061	$955,413,085	$9,554,131	15.40%	$1,471,336	50%	$735,668
38	2061 / 2062	$984,523,347	$9,845,233	15.40%	$1,516,166	50%	$758,083
39	2062 / 2063	$1,014,215,814	$10,142,158	15.40%	$1,561,892	50%	$780,946
40	2063 / 2064	$1,044,502,130	$10,445,021	15.40%	$1,608,533	50%	$804,267
41	2064 / 2065	$1,075,394,173	$10,753,942	15.40%	$1,656,107	50%	$828,054
42	2065 / 2066	$1,106,904,056	$11,069,041	15.40%	$1,704,632	50%	$852,316
43	2066 / 2067	$1,139,044,137	$11,390,441	15.40%	$1,754,128	50%	$877,064
44	2067 / 2068	$1,171,827,020	$11,718,270	15.40%	$1,804,614	50%	$902,307
45	2068 / 2069	$1,205,265,560	$12,052,656	15.40%	$1,856,109	50%	$928,054
46	2069 / 2070	$1,239,372,872	$12,393,729	15.40%	$1,908,634	50%	$954,317
47	2070 / 2071	$1,274,162,329	$12,741,623	15.40%	$1,962,210	50%	$981,105
48	2071 / 2072	$1,309,647,576	$13,096,476	15.40%	$2,016,857	50%	$1,008,429
49	2072 / 2073	$1,345,842,527	$13,458,425	15.40%	$2,072,597	50%	$1,036,299
50	2073 / 2074	$1,382,761,378	$13,827,614	15.40%	$2,129,453	50%	$1,064,726
	Total				**$53,891,260**	**50%**	**$26,945,630**
	Present Value				**$22,112,296**	**50%**	**$11,056,148**

Note: Present value at 3% discount rate.

These projections are based on research and analysis of available data at the time of IFP preparation for purposes of illustration. Actual results may differ from those expressed in this document. Appendix C provides additional detail for the projected revenue analysis.

5.3 Plan for Financing Public Facilities

The PFA intends to utilize numerous funding sources and financing mechanisms to implement the projects identified in Section 3.2, potentially including District tax increment, grant sources, impact fees, private sector investment, and/or other sources.

As it pertains to the use of District tax increment, the PFA intends to incur debt only when it is financially prudent to do so. It is estimated at this time that approximately $9.5 million of EIFD funding (in present value dollars) will be made available through bond or loan proceeds and pay-as-you-go proceeds over the District lifetime. It is estimated that approximately $9.5 million will be available in the first 20 years of the District lifetime. It may be the case that multiple debt issuances will be necessary to achieve the targeted funding capacity.

5.4 Limit on Total Dollars Allocated to the District

The total number of dollars or taxes that may be allocated to the District shall not exceed $60,000,000 (nominal dollars).

The limit on the total number of dollars that the City will contribute to the EIFD shall be defined as the annual amount of the City contributions that are needed to pay bond payments, or otherwise fund the approved list of infrastructure and other projects and expenses of the District, with an estimated cost of approximately $982,400 (in present value dollars) over the first 15 years of the District lifetime and approximately $32 million (in present value dollars) over the entire District lifetime. The infrastructure and other projects shall be considered fully funded when all projects have been financed by bonds, excess tax increment, or other funds. In the following fiscal year after the projects have been fully funded, and any year thereafter up to the time limit, any City contributions in excess of remaining bond payments shall be returned by the EIFD to the City.

To the extent a computation of the limit on total dollars allocated to the district is needed in future dollars at some time in the future, the analysis shall utilize as a benchmark index the California Department of General Services (DGS) California Construction Cost Index (CCCI).

5.5 District Termination Date

The District will cease to exist the earlier of: (i) forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2100. This IFP assumes that the District will be formed in Fiscal Year 2022-2023 and will begin receiving tax revenues in Fiscal Year 2023-2024.

5.6 Analysis of Costs to Provide Facilities and Services

Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City and County for providing facilities and services to the area of the District. It is estimated that, at Year 15 of the District lifetime (assumed stabilized buildout of District area), annual costs to the City will be approximately $982,400 to service the area of the District.

5.7 Fiscal Impact Analysis

Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City, as the only affected taxing entity contributing tax increment revenues to the District. Table 4 presents an overview of fiscal impacts to the City.

Table 4: Overview of Fiscal Impacts to City

	Annual (Stablized Year 15)	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Covina			
Estimated Fiscal Revenues (Net of Allocation to EIFD)	$1,204,400	$82,754,300	$34,178,100
Estimated Fiscal Expenditures	($982,400)	($80,832,200)	($32,014,300)
Estimated Net Fiscal Impact to City	**$222,000**	**$1,922,100**	**$2,163,800**

It is estimated that, at Year 15 of the District lifetime, the District area will generate an annual net fiscal surplus of $222,000 to the City. Over 50 years, District activity will generate a positive net fiscal impact of approximately $2.2 million for the City on a present-value basis. This is in addition to the Community economic benefits outlined in Section 4 of this IFP (e.g., jobs, housing, remediation of contamination, connectivity, active transportation).

5.8 Developer Reimbursement for Transit Priority Project

The PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470. To the extent that a developer is willing to fund Transit Priority Project infrastructure expenditures beyond and in advance of said developer's fair share (not contemplated at this time), the PFA may consider and evaluate such reimbursement at the appropriate time.

6.0 Removal of Dwelling Units and Replacement Housing Plan

The PFA does not anticipated that any housing units will be removed as a result of any project identified in this IFP. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.

7.0 Goals of the District

The goals of the District's implementation of the public facilities outlined in Section 3.2 is to support the goals of the City's General Plan and Town Center Specific Plan by including sites that are well-positioned to be catalyzed by infrastructure enhancements and public improvements, particularly in the Downtown and Arts District neighborhoods. Additional benefits would include upgrades to the core civic center campus, including City Hall and police station improvements.

The underlying objectives include economic development in the form of fiscal revenue generation for the City, County, and other taxing entities, job creation, provision of new housing supply at multiple income levels, improvement of quality of life, and promotion of environmental sustainability. The District will be utilized to address critical infrastructure and affordable housing project funding, which are needed to catalyze private sector investment and development.

8.0 Appendices

Appendix A: Map of Boundaries of the Covina EIFD
Appendix B: Legal Description of the Covina EIFD
Appendix C: Projected Tax Increment Revenue Analysis
Appendix D: Fiscal Impact Analysis
Appendix E: General Plan Environmental Impact Report