



# COUNTY OF HUMBOLDT

For the meeting of: 8/23/2022

---

File #: 22-962

---

**To:** Board of Supervisors  
**From:** County Administrative Office  
**Agenda Section:** Consent

SUBJECT:

The Samoa Peninsula Enhanced Infrastructure Financing District Fund (SP EIFD Fund)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt a Resolution establishing the Samoa Peninsula EIFD Fund and authorizing the Auditor-Controller to transfer funds per the approved Infrastructure Financing Plan

SOURCE OF FUNDING:

General Fund - Property Tax (1100)  
Economic Development (1120-275)

DISCUSSION:

**EIFD OVERVIEW**

The California Legislature authorized the formation of Enhanced Infrastructure and Financing Districts (EIFDs) in 2014 through Senate Bill 628, and the statutory framework for EIFDs, which has been amended multiple times since 2014, is codified in Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (EIFD Law).

An EIFD is a special district which uses tax increment financing to aid communities in funding a wide and diverse variety of public capital improvement projects and other projects of community-wide significance as set forth in state law. The EIFD does not impose a new tax. Added improvements gained through EIFD funding supports future development and results in increased property values. This generates tax increments, or increased property tax revenues above the “base year,” which can then be leveraged for additional improvements.

**BACKGROUND**

Beginning in May of 2019, staff presented a report on the lack of modern and working infrastructure on the Samoa Peninsula, and the Board directed staff to establish a task force whose purpose was to engage in inter-departmental communication concerning Responsible Engagement for the

Development of Infrastructure (REDI) (Agenda item 19-642 from May 21, 2019).

In September of 2019 staff provided an overview of partnership and financing options for infrastructure development on the Samoa Peninsula, based on findings of the REDI task force initiative. The Board directed staff to explore financing vehicles for infrastructure development, and to work with stakeholders sharing a vested interest in infrastructure development on the Samoa Peninsula.

In March of 2020, the county formed the Samoa Peninsula Infrastructure Workgroup (Workgroup), with the purpose to, “explore potential funding opportunities to create and/or improve existing infrastructure on the Samoa Peninsula which may include the possibility of creating an entity that can seek resources for the infrastructure needs of the Samoa Peninsula for economic development improvements and the betterment of the community members who live there and the economy of Humboldt County.” Through the Workgroup and communication with state partners, staff identified the EIFD as the preferred infrastructure improvement investment vehicle.

On June 29, 2021, the Board of Supervisors adopted Resolution of Intention (Resolution No. 21-68) to form the Samoa Peninsula Enhanced Infrastructure Financing District (“Samoa Peninsula EIFD”) and established the Public Financing Authority (“PFA”) to be the governing body of the EIFD.

On Oct. 19, 2021, staff presented the proposed Samoa Peninsula EIFD and draft Infrastructure Financing Plan (IFP) to the PFA and the public. The IFP is a legal document required by legislation and describes the Samoa Peninsula EIFD to be formed and specific requirements related to financing and implementing goals of the Samoa Peninsula EIFD.

On Dec. 14, 2021, the PFA held the first Public Hearing of the Samoa Peninsula EIFD to hear all written and oral comments but took no action.

On Jan. 25, 2022, the PFA held the second Public Hearing of the Samoa Peninsula EIFD to hear additional written and oral comments but took no action to modify or reject the IFP.

On Feb. 15, 2022, the Board of Supervisors adopted a resolution approving the IFP for the Samoa Peninsula EIFD.

On Mar. 3, 2022, the PFA held its third, and final, Public Hearing of the Samoa Peninsula EIFD to hear all written and oral protests to the Samoa Peninsula EIFD and the IFP. Finding no majority protest, the PFA adopted a resolution approving the IFP, forming the Samoa Peninsula EIFD, and adopting bylaws for the PFA.

On May 16, 2022, staff filed for the formation of the Samoa Peninsula EIFD with the California State Board of Equalization.

### **SAMOA PENINSULA EIFD FUND**

It will be critical that Humboldt County keep Samoa Peninsula EIFD funds separate from other county funding for both tracking and transparency purposes. Spending for the District is restricted and

establishing a separate fund outside of the General Fund will help accomplish these goals. California Government Code Section 25252 authorizes the Board of Supervisors to establish funds necessary for the proper transaction of the business of the COUNTY and transfer funds accordingly into such accounts.

Additionally, the Samoa Peninsula EIFD is a dependent Special District, whose affairs and finances are under the supervision of the Board of Supervisors. As such, the Samoa Peninsula EIFD is subject to California Government Code, Title 3, Division 3, Chapter 1, Articles 1-7, & California government Code, Title 3, Division 2, Part 1, Chapter 4, Articles 9, and the budgeting & financial reporting requirements respectively therein. To ensure such requirements are met, and to allow for the transparent and accurate monitoring of funds, it is staff's recommendation that the Samoa Peninsula EIFD Fund ("SP EIFD Fund") be established for all District related financial activity.

FINANCIAL IMPACT:

Developing and maintaining public infrastructure on the Samoa Peninsula is central to promoting economic prosperity, meeting energy goals, creating jobs, and enhancing quality of place and life in Humboldt County. The county has committed 75% of its Property Tax Increment for property within the District to see that these goals are met. EIFD law provides that 10% of committed tax increment generated in the first two years may be allocated toward the formation of the District, and per the adopted IFP, once funds are available, administrative costs of approximately \$35,000 annually, may be paid for through EIFD revenue.

Staff recommends that current District related administration costs continue to be paid for through the General Fund and various Departments, until such time that the Samoa Peninsula EIFD Fund is created and financially capable of reimbursing these costs.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

State of California Governor's office of Economic Development, Humboldt County Assessor, Humboldt County Treasurer Tax Collector, the Samoa Peninsula Community Services District, the Manila Community Services District, the Humboldt Bay Municipal Water District, the City of Eureka, the City of Arcata, Humboldt County Public Works, Kosmont Companies

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board Discretion

ATTACHMENTS:

1. Resolution Establishing the SP EIFD Fund
2. State Board of Equalization Report - Samoa EIFD
3. BOS Resolution No. 22-16
4. PFA Resolution No. 22-01

5. Samoa Peninsula EIFD IFP

- a. Appendix A - Legal Description
- b. Appendix B - Boundary Map
- c. Appendix C - Projected Tax Increment Revenue Analysis
- d. Appendix D - Fiscal Impact Analysis
- e. Appendix E - General Plan EIR

PREVIOUS ACTION/REFERRAL:

Board Order No.: K-1, I-2, I-1, I-1, L-2, D-12, L-1, L-2, L-2, D-9, K-1

Meeting of: May 21, 2019, Sept. 3, 2019, March 17, 2020, June 29, 2021, July 20, 2021, Sept. 14, 2021, Sept. 21, 2021, Oct. 19, 2021, Dec. 14, 2021, Jan. 25, 2021, Feb. 15, 2022, March 3, 2022.

File No.: 19-642, 19-1246, 20-204, 21-68, 21-1001, 21-1229, 21-1319, 21-1448, 21-1703, 22-17, 22-118, 22-168