

2024-2025 Proposed Budget BUDGET DOCUMENT COST ESTIMATE REQUEST

To request a Budget Document (BD) cost estimate, please complete the first page of this form (use as much space as required) and submit it to Kate Handford in the City Manager's Budget Office starting April 22nd, 2024 and by no later than May 8th, 2024.

City staff will return the form with the cost estimate provided on the second page of the form by May 17, 2024. The BDs with the cost estimates are due to the Mayor's Office by **May 23, 2024**.

Please note that the number of budget document cost estimate requests is limited to **five requests per City Council District**. Additionally, all Budget Documents that recommend a City-provided service or project must be based on a Cost Estimate Response.

TO BE COMPLETED BY COUNCILMEMBER:

Councilmember: **Davis**

Council District: **6**

BD PROPOSAL:

City Department (if known): **OED, Finance**

Program/Project Title: **Enhanced Infrastructure Financing District (EIFD) Policy**

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The City should develop a policy for establishing one or more Enhanced Infrastructure Financing Districts (EIFDs) across the city, and in a manner that creates positive benefits for local residents, and limits negative fiscal impacts to City resources. A City EIFD policy could include:

- **Fiscal analysis demonstrating a positive net impact to the City General Fund**
- **A “But for” analysis that evaluates whether the City’s participation is a necessary pre-condition for projects to be undertaken**
- **A requirement that the County’s contribution of property tax in the project be equal to or greater than the City contribution**
- **A requirement that the City not contribute 100% of its share of property tax**
- **Consideration for whether a project should be of countywide/regional/statewide importance**
- **Consideration of various boundary options**
- **Consideration of public financing and bond issuance (55% voter approval)**
- **Establishment of the Governing Board**
- **An analysis of the best path to implementation.**

EIFDs present potential significant funding streams for a broad range of infrastructure projects for which the city currently has little funding and can be used for the maintenance of infrastructure financed in whole or in part by the district.

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Position Changes (include classifications, if known): **None**

Estimated Amount of City Funding Change (to be validated by the cost estimate): **\$80,000**

Fund(s) Impacted (e.g. General Fund, C&C Tax Funds, etc.): **TBD**

Ongoing or One-Time: **One-Time**

BD PROPOSAL OFFSET/FUNDING SOURCE (identify the offsetting action to fund the BD proposal identified above):

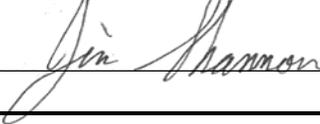
Essential Services Reserve:

Other (Program/Project/Fund):

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Cost Estimate #: 34

TO BE COMPLETED BY CITY MANAGER'S OFFICE:

Cost Estimate Approved By  Date 5/17/2024

CITY DEPARTMENT: Office of Economic Development and Cultural Affairs

Staff Person Completing Cost Estimate: Nanci Klein/OEDCA Director Date 5/14/24
Name/Title

Department Approval of Cost Estimate: Nanci Klein/OEDCA & Rick Bruneau/Finance Date 5/15/24
Department Director or Designee

BD PROPOSAL: Enhanced Infrastructure Financing District (EIFD) Policy

BD Cost Estimate:

Fund	2024-2025 Cost	Ongoing Cost
General Fund	\$100,000	
TOTAL	\$100,000	

Position Changes (if applicable):

Position Classification	2024-2025 FTE	Ongoing FTE
TOTAL		

BD Cost Estimate Notes (if applicable – provide any notes only if necessary to clarify the cost estimate):

Staff estimates a funding need of \$100,000 for consultant services. The consultant would help map a path to implement an EIFD, including the potential for multiple EIFDs within the City, as well as assist in formulating a policy for proceeding in San José. In addition to performing the analysis above, the consultant would: survey and help the City learn from analogous efforts from other cities in California, specify the uses most often and likely to be successfully funded, map out legal and timing requirements, identify best practices for coordinating an EIFD with other jurisdictions, and provide other relevant data useful to the City's efforts to pursue EIFD funding.