
UNFINISHED BUSINESS

Bill No: SB 782
Author: Pérez (D)
Amended: 8/27/25 in Assembly
Vote: 27 - Urgency

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 5/7/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE FLOOR: 38-0, 5/28/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Grove, Reyes

ASSEMBLY FLOOR: 77-1, 9/3/25 - See last page for vote

SUBJECT: Enhanced infrastructure financing district: climate resilience districts

SOURCE: County of Los Angeles Board of Supervisors

DIGEST: This bill creates a subcategory of climate resilience districts to finance disaster recovery efforts.

Assembly Amendments of 8/27/25 require the public members of the governing board to be residents of, own property in, or represent a business within the boundaries of the district and apply term limits to those members, and make other conforming, clarifying, and technical changes.

ANALYSIS:

Existing law:

- 1) Creates enhanced infrastructure financing districts (EIFDs) and allows them to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community with an estimated useful life of 15 years or more, including projects that enable communities to adapt to the impacts of climate change.
- 2) Allows, in addition to construction costs, EIFDs to finance planning and design work, displacement of affordable housing residents, defending the district against protests over their formation, and the ongoing or capitalized costs to maintain the projects the district finances.
- 3) Provides that an EIFD is governed by a public financing authority (PFA) with three members of each participating taxing entity's legislative body and a minimum of two public members. Member agencies can also appoint an alternate member from their legislative body. If at least three taxing entities participate in the district, upon agreement of all taxing entities participating, the district's governing board can be reduced to one member and one alternate member of each legislative body and a minimum of two public members.
- 4) Requires the PFA to hold public meetings and meet notice requirements to consider an EIFD's formation, as specified.
- 5) Authorizes a city, county, city and county, or a combination of these to form a climate resilience district (CRD) for the purpose of raising and allocating funding for eligible projects and the operating expenses of eligible projects.
- 6) Requires the agency forming the CRD to adopt a resolution describing the intent, boundaries, projects, goals for the district, as well as whether it intends to use property tax increment to finance projects.
- 7) Defines a "participating entity" to mean a city, county, or special district that is an affected taxing entity within the CRD and has adopted a resolution to provide for the division of taxes.
- 8) Defines a "participating member city or county" to mean a city or county that does not adopt a resolution to provide for the division of taxes, but instead adopts a resolution at a public hearing to participate in, and have its territory subject to, the jurisdiction, powers, and authority of the CRD provided that it receives representation on the CRD board.
- 9) Provides that the agency forming the CRD must enact a resolution providing for the division of taxes of any participating entity pursuant to the procedures for

the preparation and adoption of an infrastructure financing plan in EIFD law. A district that completes these procedures must follow the procedures for the division of taxes and issuance of tax increment bonds described in EIFD law.

- 10) Provides that a district must be governed by a board that has the same membership as a public financing authority as described in EIFD law. The board shall have the same powers and requirements as a public financing authority, unless otherwise specified.

This bill:

- 1) Creates a subcategory of CRDs to finance disaster recovery efforts. These disaster recover districts have the same powers of a CRD, but with several differences. Under existing law, before CRDs can use tax increment financing (TIF), they have to go through various meetings and notices. The measure allows these disaster recovery districts to bypass these meeting and notice requirements if the resolution to use TIF does both of the following:
 - a) Limits the district's boundaries to areas where disaster damage is so prevalent and substantial that there is a significant reduction in the normal pre-disaster economic or physical usage of an area that cannot reasonably be expected to be reversed or alleviated during the term of the infrastructure financing plan without redevelopment, and includes other specified information like the types of projects the district will finance; and
 - b) Fixes a time and place for public meetings on the proposal.
- 2) Requires the city or county proposing formation of a district to hold a public meeting on the proposal to consider the resolution to create the district.
- 3) Requires the district to hold a meeting to consider the adoption of the infrastructure financing plan.
- 4) Requires the city or county and the district to post notice of each meeting in an easily identifiable and accessible location on its website at least 10 days before the meeting. This notice is the only notice required for the creation of a district, and must include a description of the district's boundaries, infrastructure financing plan, and the time and place when and where the public can inspect documents related to the district.
- 5) Requires a district, after adopting the resolution to establish the district, the city or county must designate an official to prepare the infrastructure financing plan, which must be available to the public at least 30 days before the district's public

meeting. The designated official must consult with each affecting taxing entity, meet with them upon request, and allow them to suggest revisions to the plan. The district must have the same procedures for amending the infrastructure financing plan and providing an annual report as CRDs and EIFDs, except that it does not have to mail any written notices.

- 6) Limits district boundaries to disaster areas or areas adjacent to the disaster area, but adjacent areas cannot exceed 20% of the total district area.
- 7) Limits districts' use of revenues for the purposes of:
 - a) Supporting efforts to acquire, demolish, remove, relocate, repair, restore, rehabilitate, renovate, or replace buildings, affordable housing, facilities, structures, parks and open space, wildlife corridors, or other improvements or infrastructure, within the district which the disaster has damaged, destroyed, or substantially impacted, are unsafe to occupy or use, or need to be acquired, demolished, altered, or removed because of the disaster; and
 - b) Mitigating the risk of a future disaster, as specified.
- 8) Prohibits a district from using bond proceeds for costs of operations, programs, or providing services of any kind.
- 9) Requires districts to comply with EIFD law, but the city or county that created it may approve projects in the disaster area even if they are inconsistent with the general plan and any applicable specific plan. Before the district terminates, a city or county may include all or portion of the district within a separate district, but the parts of the initial district must continue to meet statutory requirements for CRDs.

Background

The California Constitution allows the Legislature to authorize local agencies to provide for the assessment or reassessment of taxable property "physically damaged or destroyed" for property tax purposes. Upon a taxpayer filing a valid claim, assessors must revalue property affected by the disaster, which often lowers the assessed value of the property to the land value leading to significantly less property tax revenue for affected local agencies. The property retains its disaster-affected value until fully restored, reconstructed, or rebuilt.

Comments

Purpose of this bill. According to the author, “In January of this year, 14 destructive wildfires – namely the Eaton and Palisades Fire – ravaged the Los Angeles metropolitan region and San Diego County. These fires claimed at least 29 lives, forced over 200,000 residents to evacuate, and burned over 57,000 acres of land, and destroyed more than 18,000 homes and structures. The devastation exposed the shortcomings of traditional financing methods – they are often too slow and cumbersome to meet the urgent needs of the communities in crisis. That is why I am authoring SB 782, to ensure Los Angeles County can rebuild quickly and effectively. This bill establishes a pathway for creating disaster recovery financing districts to rapidly mobilize resources for repairs, mitigation and resilience-building through a community-based approach. It will help local communities rebuild and promote equitable development in the areas most impacted by disasters. Additionally, it ensures that revenue generated through the financing district is strictly dedicated to economic recovery and workforce development programs. By targeting these investments, this legislation not only accelerates recovery, but it also strengthens a community’s ability to face future disasters.”

Timing is everything. A key factor in the success of a TIF district is figuring out when to create it. If the local agency forms the TIF district too soon, it will be years until it begins to create sufficient revenue to successfully finance projects, or the development may not materialize, meaning the resources to create the district are wasted. If the local agency forms the TIF district too late, reassessments may occur before the district begins to capture revenue and the district may never provide sufficient revenue to successfully finance projects. Timing will be even more important in the case of a disaster-oriented TIF district like SB 782. Forming a TIF district when most properties are at their disaster-affected values could generate significant TIF revenues if properties are rebuilt and/or improved. However, this shifts that property tax revenue away from core programs or services towards infrastructure. In other words, if the city or county forms the district too early and captures too much TIF revenue, city or county budget problems could deepen and resources to maintain staffing levels may fall short. On the other hand, if the city or county creates the TIF district too late in the rebuild process, the assessor may have already restored property values to their pre-disaster levels, meaning the district generates very little TIF revenue, and may not help the city or county to finance infrastructure necessary for the rebuilding efforts. If enacted, cities and counties need to time the creation of these disaster recovery districts to balance their existing budgetary needs and generate sufficient revenue to finance infrastructure projects. SB 782 trusts local governments to make this decision on

their own, but more oversight or accountability may be necessary to ensure these local governments avoid making economic conditions worse.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 9/3/25)

County of Los Angeles Board of Supervisors (source)

CDP Rural Caucus

City of Los Angeles

OPPOSITION: (Verified 9/3/25)

California (UN)incorporated

Sustainable Community Development Corporation

ASSEMBLY FLOOR: 77-1, 9/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio

NO VOTE RECORDED: Tangipa

Prepared by: Jonathan Peterson / L. GOV. / (916) 651-4119

9/3/25 18:38:18

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