

RESOLUTION No. PFA-2026-01

A RESOLUTION OF THE SANTA CRUZ ENHANCED INFRASTRUCTURE FINANCING DISTRICT PUBLIC FINANCING AUTHORITY ADOPTING THE INFRASTRUCTURE FINANCING PLAN FOR THE SANTA CRUZ ENHANCED INFRASTRUCTURE FINANCING DISTRICT, FORMING THE SANTA CRUZ ENHANCED INFRASTRUCTURE FINANCING DISTRICT, AND AUTHORIZING CERTAIN OTHER ACTIONS RELATED THERETO

**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**, in enacting the EIFD Law, the California Legislature found and declared that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies finance certain public facilities and projects authorized under the EIFD Law; and

**WHEREAS**, on March 25, 2025, the City Council of the City of Santa Cruz (“City Council”) adopted Resolution No. NS-30,457, which initiated the process to establish the Santa Cruz Enhanced Infrastructure Financing District (“Santa Cruz EIFD”) pursuant to EIFD Law and established the Santa Cruz EIFD Public Financing Authority (“PFA”) to serve as the governing board of the Santa Cruz EIFD; and

**WHEREAS**, on August 28, 2025, the PFA adopted Bylaws of the PFA, which provide that the Executive Director of the Santa Cruz EIFD (“Executive Director”) shall be the then current City Manager of the City of Santa Cruz and shall conduct the day-to day administration of the Santa Cruz EIFD’s business and affairs subject to direction by the Board of Directors of the PFA (“Board”); and

**WHEREAS**, on August 28, 2025, pursuant to Government Code Section 53398.63, the PFA directed the Executive Director of the PFA to prepare a draft Infrastructure Financing Plan (“IFP”) for the Santa Cruz EIFD, which defines the boundaries of the Santa Cruz EIFD, identifies the public facilities and improvements to be financed with assistance from the Santa Cruz EIFD, and a plan for using tax increment generated in the Santa Cruz EIFD to finance the public facilities and improvements identified in the draft IFP, including the issuance of bonds and other debt; and

**WHEREAS**, on December 4, 2025, staff of the PFA and its consultants presented in a duly noticed public meeting the draft IFP, answered questions about the draft IFP, and considered comments about the draft IFP; and

**WHEREAS**, the PFA duly noticed and held two public hearings on the draft IFP on January 15, 2026, and February 19, 2026, and, in accordance with Government Code Section 53398.66, considered written and oral comments regarding the proposed Santa Cruz EIFD and draft IFP; and

**WHEREAS**, on December 9, 2025, the City Council adopted Resolution No. NS-30,586 approving the IFP and respective contribution of property tax increment to the Santa Cruz EIFD; and

**WHEREAS**, the PFA reviewed and considered any written and/or oral objections received before the close of the second public hearing, if any, and has considered the recommendations, if any, of affected taxing agencies and testimony for and against the adoption of the IFP; and

**WHEREAS**, the PFA held a protest proceeding at the second public hearing, and less than 25 percent of the combined number of landowners and residents in the area of the Santa Cruz EIFD who are at least 18 years of age filed written or oral protests to the formation of the Santa Cruz EIFD or the adoption of the IFP before the close of the public hearing; and

**WHEREAS**, all conditions, things and acts required by law to exist, to happen or to be performed precedent to and as a condition of the adoption of the IFP and the formation of the Santa Cruz EIFD have existed, happened and been performed in the time, form and manner required by law; and

**WHEREAS**, based on the foregoing, the PFA has determined at this time to form the Santa Cruz EIFD and adopt the IFP attached hereto as Exhibit A.

**NOW, THEREFORE**, the Board of Directors of the Santa Cruz EIFD Public Financing Authority hereby resolves as follows:

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

**Section 2.** The PFA hereby finds and determines that less than 25 percent of the combined number of landowners and residents in the area of the Santa Cruz EIFD who are at least 18 years of age filed written or oral protests to the formation of the Santa Cruz EIFD or the adoption of the IFP before the close of the second public hearing and,

accordingly, the PFA is neither required to terminate the proceedings relating to the Santa Cruz EIFD nor call an election relating to the Santa Cruz EIFD.

**Section 3.** The PFA hereby adopts the IFP (attached hereto as Exhibit A, and on file with the Secretary of the PFA for this meeting) and declares that the IFP is in full force and effect. Pursuant to the IFP and the EIFD Law, incremental property tax revenue from the City of Santa Cruz within the boundary of the Santa Cruz EIFD will be used to finance the activities of the Santa Cruz EIFD, subject to, and in accordance with, the terms and conditions of the IFP and the EIFD Law. The IFP shall be reviewed, and may be modified or amended, in accordance with the EIFD Law.

**Section 4.** The PFA hereby forms the Santa Cruz EIFD and declares that the Santa Cruz EIFD is validly formed and existing as an enhanced infrastructure financing district under the EIFD Law.

**Section 5.** The PFA hereby finds that the formation of the Santa Cruz EIFD and the adoption of the IFP are not "projects" under the California Environmental Quality Act (CEQA Guidelines §15378(b)(4)-(5); Public Resources Code § 21065) because they involve the creation of a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and further hereby finds that they are exempt from the California Environmental Quality Act (§15061(b)(3)) because the California Environmental Quality Act does not apply where it can be determined with certainty that there is no possibility that an activity will have a significant effect on the environment.

**Section 6.** The Chair, the Executive Director, the Secretary, the City Attorney, as counsel to the Santa Cruz EIFD, and any and all other officers and consultants of the Santa Cruz EIFD are hereby authorized and directed, on the Santa Cruz EIFD's behalf, to do any and all things and take any and all actions, that they, or any of them, consider necessary or advisable to implement the provisions of this Resolution, including correction of minor technical errors or omissions in the IFP and its exhibits and execution and delivery of any and all other documents, certificates, agreements, notices and consents which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution. Whenever in this Resolution any officer of the Santa Cruz EIFD is directed to execute or attest any document or take any other action, that execution, attestation, or action may be taken on behalf of that officer by any person he or she designates to act on his or her behalf if the officer is absent or unavailable.

**Section 7.** If any section, subsection, phrase, or clause of this Resolution is for any reason found to be invalid, such section, subsection, phrase or clause shall be severed from, and shall not affect the validity of, all remaining portions of this Resolution that can be given effect without the severed portion.

**Section 8.** This Resolution shall take effect immediately upon its adoption by the Board.

**Section 9.** The Secretary of the PFA shall certify to the adoption of this Resolution.

**APPROVED** and **PASSED** this 19<sup>th</sup> day of February 2026.

Public Financing Authority of the Santa Cruz  
Enhanced Infrastructure Financing District

BY: \_\_\_\_\_

  
Fred Keeley- Chair

ATTEST:

  
\_\_\_\_\_  
Scott Newsome- Secretary

**CERTIFICATION**

I, Scott Newsome , Secretary of the Public Financing Authority of the Santa Cruz Enhanced Infrastructure Financing District, do hereby certify that Resolution No. PFA-2026-01 was duly adopted by the Public Financing Authority of the Santa Cruz Enhanced Infrastructure Financing District at its special meeting held on the 19<sup>th</sup> day of February 2026, by the following vote:

AYES:

AUTHORITY BOARD MEMBERS:

Shebreh Kalantari-Johnson, Scott Newsome, David Foster, David Doolin

NOES:

AUTHORITY BOARD MEMBERS: n/a

ABSTAIN:0

AUTHORITY BOARD MEMBERS: n/a

ABSENT:1

AUTHORITY BOARD MEMBERS: Fred Keeley

Dated:

February 19, 2026

  
\_\_\_\_\_  
Secretary