

THRIVING



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New Infrastructure Financing Tools for California: Enhanced Infrastructure Financing Districts

Local Government Commission
Capital Region Local Policymakers Dinner Forum
November 5, 2015

California Economic Summit

The Summit is: A partnership between California Forward and the California Stewardship Network.

2015 California Economic Summit
November 12-13
Ontario, CA
www.caeconomy.org

The Summit's purpose: Advancing a regions-based agenda for “triple bottom line” prosperity—growing the economy, improving environmental quality, and increasing opportunity for all.

The Summit's approach: More than 700 leaders statewide are working on Summit action teams committed to the triple bottom line—from developing new approaches to financing infrastructure to integrating the state's workforce training system.



New Model for local and regional infrastructure investment in California.

Does not use the redevelopment model

Authorizes the creation of a Public Finance Authority with broad authority to address local and regional infrastructure needs

Single or multijurisdictional authority focused on the geography of the problem to be solved

■ Process for Formation of the District

- Consider infrastructure and economic development investment priorities
- Invitation to local agencies that have a stake in investment.
- Adopt a resolution of formation.
- Appoint the Public Finance Authority
 - Goals and purposes of the project(s) to be financed.
 - Description of public facilities and investments to be made.
 - Determine the role and financing from participating agencies.
 - Replacement of dwelling units removed or destroyed

▪ **Wide range of Range of Community Investments**

- **Public capital facilities and economic deveopment investments**
- **Affordable Housing**
- **Transportation facilities**
- **Community parks**
- **Brownfield restoration (Polanco Redevelopment Act authority)**
- **Projects that implement a Sustainable Community Strategy (SB 375), and Transit Priority Projects.**

Tax-increment financing from a wide range of revenue sources

1. **Property tax increment** within the district of the amount pledged by the consenting taxing agencies (cities, counties, special districts but not schools).
2. **Revenues from the growth on the property tax attributed to backfill** from the VLF received by the city or county.
3. **Fees or assessment revenues** including assessments for benefits and developer fees.
4. **Loans** from a city, county or special district.
5. **User Fees and Public-Private Partnerships** derived from the use of the Infrastructure Finance Act.
6. **Other Funding Sources**, such as Federal and State grants, and funds available through California's Cap and Trade auction proceeds, if pledged to the Sustainable Communities program or benefitting a disadvantaged community under SB 535.

EIFD Property Tax Increment Explained

1. Property tax increment from the city's share of allocated property tax.

- The “AB8” share that arises within the boundaries of the District, net of redevelopment.
- City AB8 shares range from 3% to 28%.

2. Property tax from the VLF reduction backfill.

- Allocation is based on the amount of the loss attributable to the 2004 VLF rate reduction and grows annually by gross assessed value of the city.

Find out more

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California Forward

www.cafwd.org

California Stewardship Network

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