

Smart-Growth Money

New Funding Strategies for Community Improvements





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Smart-Growth Money:

New Funding Strategies for Community Improvements

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Getting the Money You Need

Smart-growth principles direct our attention to the creation of walkable, mixed-use communities that foster economic and social opportunity across all sectors and populations. Innovations in financial and policy analysis are demonstrating that smart-growth patterns are not only more environmentally sustainable, they also provide more fiscally sustainable forms of growth for cities and counties by reducing infrastructure, maintenance and service costs, and generating more tax revenue on fewer acres of land.

Meanwhile, financial impediments have pushed local governments, nonprofits and developers to be more creative in their approaches to assembling development funding, incubating small businesses, and training the local workforce for new opportunities.

“Smart-Growth Money: New Funding Strategies for Community Improvements” explores funding tools and strategies that will help local leaders identify funding sources and stretch limited dollars. Case studies are included that suggest innovative ways to successfully navigate financial hurdles.

While this guidebook is targeted toward local governments and communities in California, the tools, strategies, examples and success stories draw from experience within and outside the state, and should be relevant to local governments and communities around the country.

The “New Funding Strategies” guidebook identifies and describes current, effective and innovative strategies for achieving objectives associated with implementing desired projects and services across a diverse spectrum of communities.

This concise guidebook will be helpful for local government staff, elected and appointed officials, nonprofits, small businesses

and developers. Residents and other local stakeholders may also find the tools and strategies explored here useful.

By assisting local governments and communities in the search for funds for their projects and services, this guidebook aims to not only improve municipal efficiencies and economic vitality, but also enhance the character, livability and wellbeing of communities.

Each tool must be evaluated considering your community’s needs and the type of project or services you want to fund. The tools covered here vary in complexity, resources necessary to initiate or make use of the tool, and the potential risks associated with using certain tools. This guidebook provides information to aid you in making and facilitating those evaluations.



How the Guidebook Is Organized

This new guidebook examines 12 funding strategies to spark smart-growth successes in your community. Each chapter describes the tool or strategy, what it will fund and at what scale, the partners and stakeholders involved to acquire the funding, its strengths and limitations as a means to fund projects and programs, illustrative case studies, and references and resources for more background.

Based on your financing needs, the nature of the project or service you're looking to fund, your project timeline and available resources, you can evaluate which strategies might best contribute to the success of your efforts.

TOP TOOLS AND STRATEGIES

A wide range of tools and strategies are available to help finance community projects. We've gathered a dozen of the most promising new and evolving strategies — or existing ones being used creatively in a new way — that can support a variety of revitalization, enhancement and new development projects.

- 1 Enhanced Infrastructure Financing Districts
- 2 Active Transportation Program
- 2 Affordable Housing and Sustainable Communities Program
- 4 Tax Credits
- 5 Social Impact Bonds
- 6 Community-Benefit Agreements and Programs
- 7 Community Development Corporations
- 8 Community Development Financial Institutions
- 9 Community Land Trusts
- 10 Business Improvement Districts
- 11 Crowdfunding
- 12 Tactical Urbanism

PROJECT SCALE



As a quick-scan thumbnail, we've identified strategies by project scale to indicate the sizes of projects that are capable of being funded with a specific strategy or set of strategies.

- ✳ **Small:** Examples of "small" projects include street furniture, maintenance work, homebuyer assistance, signage and playground equipment.
- ✳ **Medium:** "Medium" projects might encompass smaller affordable-housing projects, neighborhood parks, renovations of community facilities, and childcare facilities.
- ✳ **Large:** These strategies might be used for capital-intensive infrastructure projects (such as roads, sewers and bridges), large affordable housing and mixed-use developments, regional parks and parking garages.

RESOURCES RATING



For the purposes of this guidebook, we've also assigned an Easy-Moderate-Complex rating to each strategy, primarily to indicate the level of time and resources required for deployment.

- ✳ **Easy:** An "easy" strategy requires comparatively fewer resources and/or less expertise. These strategies are typically implemented fairly quickly (perhaps in a few months or less).
- ✳ **Moderate:** "Moderate" strategies require an average amount of resources and/or level of expertise.
- ✳ **Complex:** "Complex" strategies require large amounts of resources and/or significant expertise. These strategies may require a substantial amount of time to set up and implement (ones that typically take 12 months or more).

TOOL 1

Enhanced Infrastructure Financing Districts

Beginning in January 2015, California local governments have another tool to assist communities with their economic-development efforts – Enhanced Infrastructure Financing Districts, or EIFDs (Senate Bill 628). Now part of the California Government Code (§53398.50-53398.88), EIFDs can help replace some of the billions of dollars that cities lost when redevelopment agencies were dissolved in 2012.

An EIFD may be created by a city or county to collect tax increment revenues to finance improvements. Entities participating in an EIFD can include cities, counties and special districts, but not schools.

Participating entities are critical to an EIFD's success as they must voluntarily agree to allocate their tax increment to the EIFD. One or more EIFDs may be created within a city or county, and an EIFD may include properties that are not contiguous. No vote is required to form an EIFD. However, issuance of bonds requires approval by a 55% majority of voters or landowners (if fewer than 12 persons are registered to vote, then the vote is by landowners).

Infrastructure projects that can be financed through an EIFD include new construction and rehabilitation. Facilities don't need to be located within the EIFD boundaries, but they must have a tangible connection to the EIFD's work as detailed in its infrastructure financing plan. An EIFD cannot be used to fund routine maintenance or operation costs.

Another Tax-Increment Financing Mechanism Now Available

In addition to EIFDs, "Community Revitalization Investment Authorities" (CRIAs) have recently been enabled to fund certain projects through bonds issued by the use of tax-increment financing. CRIAs are allowed by Assembly Bill 2, which was signed into law in September 2015. AB 2 allows specified disadvantaged areas of California to create a CRIA, which would use property taxes and other available funding to improve infrastructure, expand job opportunities, reduce crime, clean up hazardous waste sites, and promote affordable housing.

While there are similarities between CRIAs and EIFDs (both use tax-increment financing), different State law provisions enable and regulate CRIA and EIFDs. For example, CRIAs may only carry out projects in areas where the annual median income is less than 80% of statewide annual median income, and are required to set aside 25% of all allocated taxes for low- and moderate-income housing. EIFDs are not subject to such requirements.

An infrastructure financing plan must be adopted before a city or county forms an EIFD. An EIFD is governed by a public financing authority, consisting of members from the city or county legislative body, participating taxing entities, and the public.

WHAT THEY FUND

Enhanced Infrastructure Finance Districts can finance a broad range of projects:

- ✱ Highways, interchanges, ramps and bridges, arterial streets, parking and transit facilities.
- ✱ Sewage treatment, water reclamation plants and interceptor pipes.

- ✱ Facilities to collect and treat water for urban uses.
- ✱ Flood control levees and dams, retention basins and drainage channels.
- ✱ Childcare facilities.
- ✱ Libraries.
- ✱ Parks, recreational facilities and open space.
- ✱ Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
- ✱ Brownfield restoration and other environmental mitigation.
- ✱ Development of projects on a former military base, consistent with approved base-reuse plans.

TOOL 1. ENHANCED INFRASTRUCTURE FINANCING DISTRICTS

- ✦ Repayment of the transfer of funds to a military-base reuse authority pursuant to Government Code §67851 that occurred on or after the creation of the EIFD.
- ✦ Acquisition, construction or repair of industrial structures for private use.
- ✦ Transit priority projects, as defined under Public Resources Code §21155, that are located within a transit-priority project area.
- ✦ Projects that implement a sustainable communities strategy.
- ✦ Housing units and on-site facilities for childcare, after-school care and social services within mixed-income housing developments. The housing units must remain affordable to low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

Tax-Revenue Distributions – Key to EIFD Success

The distribution of property-tax revenue by each county to schools, cities and special districts varies and should be evaluated when considering an EIFD. This distribution should be taken into account when evaluating the viability and level of bonding capacity. Check out the table at boe.ca.gov/annual/2013-14/table_14/table15_2013-14.pdf, which shows the allocation of property-tax revenue throughout California by county.

PROJECT SCALE



RESOURCES



PARTNERS AND STAKEHOLDERS

Cities and counties are key partners in forming an EIFD. Special districts – excluding schools – may be participating entities. Similar to a Business Improvement District (Tool 10), it is important to first assess whether an EIFD is an appropriate funding strategy for your community through education and outreach. This is especially important if the EIFD will involve special districts.

It is anticipated that cities and counties will require consultants who are experienced in EIFDs to assist in both the education and subsequent formation of an EIFD.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✦ EIFDs can fund large projects.
- ✦ No public vote required to initially form an EIFD.
- ✦ Projects create a multiplier effect for future tax revenues.

LIMITATIONS

- ✦ An EIFD reserve will most likely be required prior to bond issuance.
- ✦ Tax-increment increases over time as the assessed value of property in the district increases, so the ability to issue a bond and repay debt service in the short term may be limited.
- ✦ Because it is a new funding tool, more education about the EIFD will likely be necessary.
- ✦ The process of forming an EIFD can be lengthy and costly.
- ✦ City and County participation in the EIFD is important to maximize leverage capacity.

LEARN MORE

Learn more about creating an Enhanced Infrastructure Financing District:

- ✦ California Economic Summit, “A How-To Guide for Using New EIFDs.” cafwd.app.box.com/s/p8re0h7s6vkhm1st2uwq
- ✦ League of California Cities, Analysis of SB 628 (EIFD), cacities.org/CMSPages/GetFile.aspx?nodeguid=d8e42eca-7647-4f12-98d4-e93383abc48c&lang=en-US

CASE STUDIES

PLEASE NOTE: Since EIFD legislation is still relatively new, the following case studies highlight a couple of areas where EIFDs are being analyzed and considered.

Revitalizing Infrastructure: West Sacramento Bridge District IFD

After the dissolution of redevelopment agencies and prior to EIFD legislation, the City of West Sacramento established an IFD for the Bridge District, which was undergoing a revitalization effort originally intended to be funded through the redevelopment agency.

In contrast to EIFDs, an IFD requires voter approval to be formed, requires a two-thirds vote for issuing bonds, has a 30-year term (EIFDs have a 45-year term after bond issuance), and can finance fewer types of facilities.

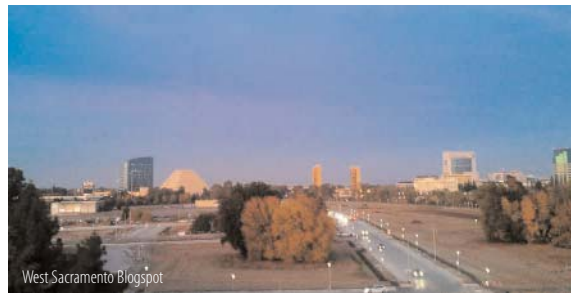
The redevelopment of the Bridge District includes rail removal, demolition, new roads, streetscape improvements, utilities and a water storage tank (top-middle photo) at a cost of over \$60 million.

The Bridge District IFD took about eight months to form, and its startup costs were approximately \$100,000. A Community Facilities District was formed concurrently with the IFD to provide funding for maintenance of the infrastructure improvements.

Due to the success of the Bridge District IFD, the City is now in the process of analyzing and forming a community-wide EIFD.



West Sacramento Citylights



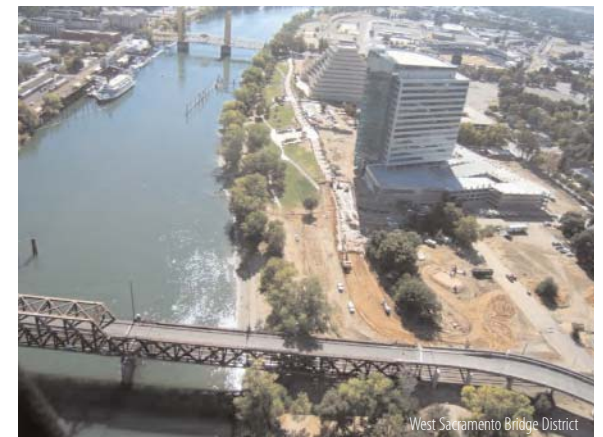
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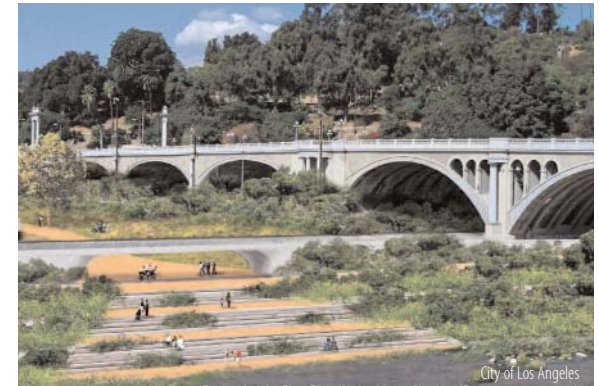
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City of Los Angeles / U.S. Army Corps of Engineers



City of Los Angeles

CASE STUDIES

A River Runs Definitely through It: The Los Angeles River Project

The Los Angeles River Revitalization Master Plan identifies an estimated \$1 billion worth of river projects, such as widening bridges, restoring wetlands, cleaning up industrial waste, and acquiring privately held parcels (lariver.org/Projects/MasterPlan).

The City is discussing the use of an EIFD to fund these and other projects, including workforce housing, along the LA River. Properties adjacent to the river could be included in an EIFD; however, since the 51-mile stretch of river crosses multiple

jurisdictional boundaries, it would be difficult to establish a river-wide EIFD.

The City may consider forming multiple, smaller EIFDs as pilot districts. This approach was emphasized by the Los Angeles Business Council Institute in its report on “LA’s Next Frontier: Capturing Opportunities for New Housing, Economic Growth, and Sustainable Development in LA River Communities.”

TOOL 2

Affordable Housing and Sustainable Communities Program

The California Strategic Growth Council's Affordable Housing and Sustainable Communities Program (AHSC) awards funds, through a competitive application process, for land-use, housing, transportation and land-preservation projects to support infill and compact development that reduces greenhouse gas emissions. Funded by State cap-and-trade emissions-reduction auction proceeds, this program provides a major new source of funding for infill, mixed-use, transit-oriented development and multimodal-transportation infrastructure capital projects and programs.

Established by California's landmark 2006 Global Warming Solutions Act (AB 32), the cap-and-trade program is the only state-run program of its kind in the nation. Senate Bill 862 apportioned 20% of Greenhouse Gas Reduction Fund annual proceeds to the AHSC program beginning in 2015-16, providing a steady revenue source for the AHSC Program to support local smart-growth projects and initiatives.

In 2014-15, the Strategic Growth Council awarded \$121.9 million to 28 projects in 21 cities and 19 counties. The call for the next round of 2015-16 AHCS applications is expected in January 2016, with total available funding increased to \$400 million. The minimum and maximum amounts for projects are \$1 million and \$20 million, respectively – up from \$500,000 and \$15 million in the first round.

WHAT THEY FUND

The AHSC program provides grants and/or loans to projects that:

- ✧ Result in the reduction of greenhouse gas emissions and vehicle miles travelled (VMT) through land-use, housing, transportation and agricultural-land preservation practices that support infill and compact development.
- ✧ Increase accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit.

At least 50% of funding must be dedicated to affordable housing and benefit disadvantaged communities.

The current draft guidelines specify three types of eligible project areas:

- ✧ **Transit-Oriented Development:** These projects are located within one-half mile of high-quality (high-frequency) transit that include affordable-housing development or related infrastructure, plus sustainable transportation infrastructure, or additional capital or program uses, such as transit-stop and station-area improvements or bicycle-and-pedestrian improvements to improve connections to transit.

PROJECT SCALE



RESOURCES



- ✧ **Integrated Connectivity Project:** These project areas include at least one transit station or stop that has sustainable transportation infrastructure to induce mode shift, such as bicycle and pedestrian connections from employment centers to transit, and at least one additional capital or program use, such as affordable-housing development or a transit-ridership improvement program.
- ✧ **Rural Innovation Project Areas:** These are the same as Integrated Connectivity Projects, but lack high-quality transit service, and are located in rural areas as defined in the program guidelines.

Examples of Eligible Costs — Draft Program Guidelines



Affordable Housing. The AHSC program covers affordable-housing development and housing-related infrastructure costs, such as:

- ✧ Construction, rehabilitation, demolition, relocation, preservation, acquisition or other physical improvement of affordable housing.
- ✧ Site-acquisition or preparation costs for affordable housing, including easements and rights of way.
- ✧ Energy-efficiency and green-building measures that meet or exceed Title 24 standards.
- ✧ Low-impact design measures, including drought-tolerant landscaping, shade canopies, rainwater recycling, rain gardens, stormwater planters and filters, bioswales and bioretention basins, infiltration trenches, and vegetative or permeable alternatives to turf.
- ✧ Bike storage/parking and bike-sharing facilities.
- ✧ Community gardens, parks and open space.
- ✧ Pre-development costs, such as steps to update general plan, specific area plans or zoning ordinances to

implement a project; and implementation of anti-displacement strategies.

Transportation. The AHSC program guidelines describe a wide range of transit and transportation improvements that are eligible for funding:

- ✧ Sustainable transportation infrastructure and transportation-related amenities, especially transit improvements and station enhancements, such as expanded transit-route service, dedicated bus lanes, Transit Signal Priority technology, real-time arrival/departure information, at-grade boarding, bus/transit shelters or waiting areas, improved lighting around stations and walkways, ticket-machine improvements, WiFi access, station-area signage, removal of access barriers to transit stations.
- ✧ Active transportation programs, such as pedestrian-and-bike safety education, community walking and biking maps, “walking School Bus” and “bike train” activities, school crossing-guard training, bicycle clinics and carpools/ride- and bike-sharing programs.

- ✧ Transit-ridership programs, such as transit-subsidy programs, transportation demand management (TDM) and outreach/marketing of consolidated transportation service agencies.

Complete Streets and Non-Motorized Transportation.

AHSC funding can also be used for elements needed to implement Complete Streets and non-motorized transportation, such as:

- ✧ Walkways or bikeways that improve mobility, access, comfort and safety.
- ✧ Safe-crossing opportunities and enhancements and traffic-control devices to improve safety of pedestrians and bicyclists.
- ✧ Sidewalk and streetscape improvements, including the installation of lighting, wayfinding signage, street furniture or other amenities.
- ✧ Road diets and traffic-calming projects.
- ✧ Bicycle infrastructure, including bike routes, lanes and paths, bike storage/parking, bike-sharing, and bike-carrying structures on transit, and bike-repair kiosks.



PARTNERS AND STAKEHOLDERS

The AHSC Program is administered by the Strategic Growth Council and implemented by the State Department of Housing and Community Development. Eligible applicants for AHSC funding include:

- ✦ A locality – a California city, unincorporated area within a county, or a city and county.
- ✦ Public housing authority, redevelopment successor agency, transit agency or transit operator, regional transportation planning agency (RTPA), local transportation commissions, congestion management agencies, joint powers authority (JPA), school district, facilities district, university or community college district.
- ✦ A developer or program operator – the entity that administers the day-to-day operational responsibilities for the program for which the AHSC funding is sought.



STRENGTHS AND LIMITATIONS

STRENGTHS

- ✦ Access to significant capital from a single source.
- ✦ Program revenue from cap-and-trade proceeds has potential to grow.
- ✦ Program eligibility and accessibility is likely to grow.
- ✦ Types of fundable projects are evolving and likely to expand.

LIMITATIONS

- ✦ Projects need to be shovel-ready, which presumes considerable pre-application planning and proposed project development.
- ✦ Difficult for rural and lower-density areas to meet eligibility requirements (although a proposed new Rural Innovation Project Area type in draft guidelines may increase rural competitiveness).



- ✦ Applications are complex and require considerable expertise to complete and be competitive, which is especially challenging to lower resource, disadvantaged communities.

LEARN MORE

- ✦ The program guidelines, background, notice of public workshops and other materials are available from the Strategic Growth Council: sgc.ca.gov/s_ahscprogram.php
- ✦ Information about cap-and-trade auction proceeds and California Climate Investments is available from the California Air Resources Board: arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm

TOOL 3

Active Transportation Program

The Active Transportation Program (ATP) was created by the California Legislature (Senate Bill 99 and Assembly Bill 101) to encourage increased use of active modes of transportation, such as bicycling and walking.

The ATP consolidates various federal and state transportation programs, including the Transportation Alternatives Program, Bicycle Transportation Account, and State Safe Routes to School, into a single program with a focus to make California a national leader in active transportation.

Program funding is awarded in two stages, beginning with a statewide competition led by Caltrans, and followed by a regional competition led by the Metropolitan Planning Organizations (MPOs) for each region. Recommendations for awards are then submitted to the California Transportation Commission for final approval.

A minimum of 25% of the funds must benefit disadvantaged communities.

Eligible applicants include cities, counties, MPOs, transit agencies, natural-resource or public-lands agencies, tribal governments, private nonprofit tax-exempt organizations, and public schools or school districts.

The ATP consists of three components: the statewide component (50% of the funds), the small urban and rural component (10% of the funds), and the large MPO component (40% of the funds). Projects located within the boundaries of one of



the nine large MPOs that were not selected in the statewide component will be considered for funding through the MPO component.

In the most recent round (Cycle 2), approximately \$360 million is budgeted for the ATP over three years (FY 2016-17 through 2018-19):

- ✦ 50% of the funding (\$180 million total) has been competitively awarded for projects selected by the California Transportation Commission on a statewide basis.
- ✦ 10% (\$36 million total) has been competitively awarded for projects in small urban and rural regions with populations of 200,000 or less.
- ✦ 40% (\$144 million total) was allocated for projects selected through a regional competitive process facilitated by the state's MPOs in urban areas with populations greater than 200,000.

PROJECT SCALE



RESOURCES



WHAT THEY FUND

Eligible projects for ATP funding include:

- ✦ Infrastructure – capital improvements, including planning, design and construction.
- ✦ Non-infrastructure – education, encouragement, enforcement and planning activities that further the program's goals.
- ✦ Combined Infrastructure and non-infrastructure activities.
- ✦ Plans, which must be stand-alone.

Eligible examples include the development of bikeways and walkways, installation of traffic-control devices and lighting that improves safety for non-motorists, bike-share programs, bike-carrying facilities on public transit, bike parking and storage facilities, landscaping that improves bicycle-and-pedestrian safety and convenience, trails that serve a trans-

portation purpose, projects that improve the safety of non-motorized students, and education programs to increase walking and biking.

The minimum request for ATP funds is \$250,000. This minimum does not apply to non-infrastructure projects (i.e., funding for plans and programs instead of construction) and Safe Routes to Schools projects.

ATP Cycle 2 applications for the statewide competition were due in June 2015. The call for the next round of statewide and “small urban and rural” proposals will likely be in spring 2017. Similar program funding levels should continue or increase in the next round.

In Cycle 2, 617 applications were submitted, requesting more than \$1 billion in funds. In the statewide category, the California Transportation Commission recommended 87 projects, for a total of nearly \$180 million. In the “small urban and rural” category, 27 projects (\$35.5 million total), were recommended for ATP funding. Awards range from \$110,000 to prepare an Active Transportation Plan to more than \$10 million for construction of large-scale pedestrian and bicycle projects.

PARTNERS AND STAKEHOLDERS

City, county and tribal government public works and planning agencies, school districts and transit agencies are typically the lead applicants for ATP funding. Many applicants also partner with health departments, local community-based organizations and advocacy groups to develop proposals.

Applications for engineering and construction projects sometimes require the support of private consultants to develop project work scopes and cost estimates.

Targeting Funding for Improvements in “Disadvantaged” Communities

To apply as a “Disadvantaged Community” under ATP guidelines, the project must clearly demonstrate a direct benefit to a community that meets any of the following criteria:

- ✱ The median household income is less than 80% of the statewide median based on the most current census tract-level data from the American Community Survey (factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml).
- ✱ An area identified as among the most disadvantaged 25% in the state, according to CalEPA and based on the latest version of the California Communities Environmental Health Screening Tool (CalEnviroScreen) scores (calepa.ca.gov/EnvJustice/GHGInvest).
- ✱ At least 75% of public-school students in the area are eligible to receive free or reduced-price meals under the National School Lunch Program (cde.ca.gov/ds/sd/sd/filesasp). Applicants must indicate how the project benefits the students in the area or, for projects not directly benefiting students, explain why this measure is representative of the larger community.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✱ The ATP provides a large source of funding for pedestrian- and-bicycle infrastructure from a single source.
- ✱ The program may receive more funding in the future.
- ✱ Projects that have been prioritized in an existing plan make for competitive applications.

LIMITATIONS

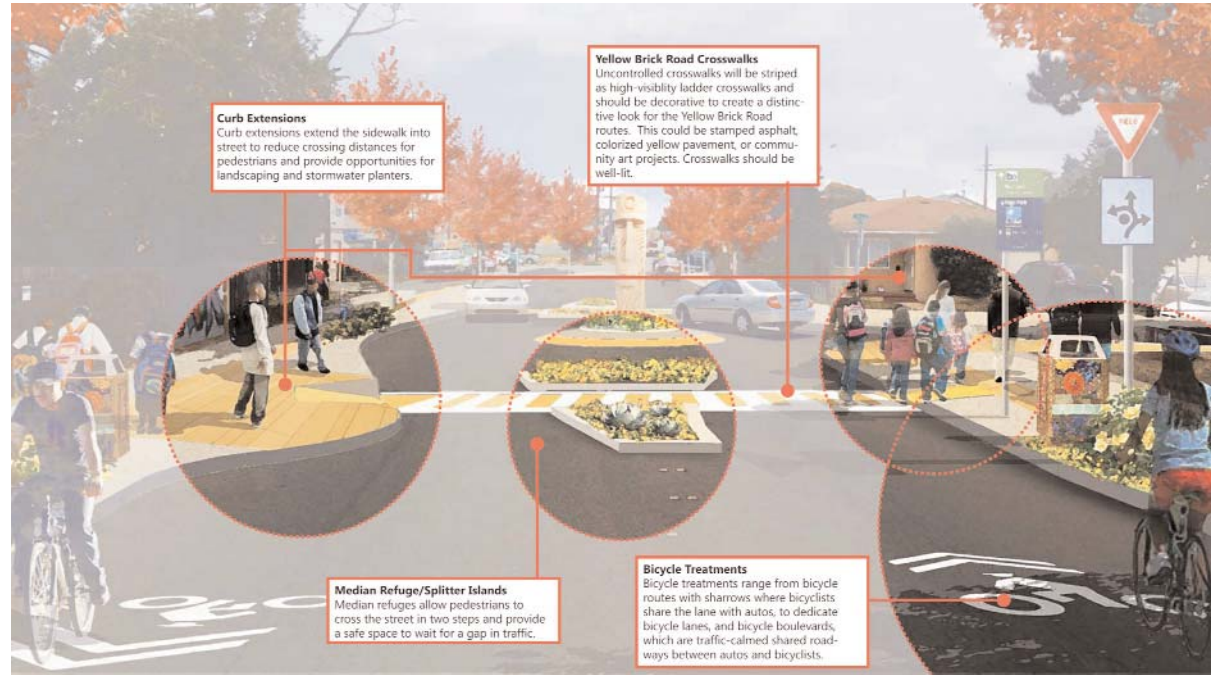
- ✱ Funding is limited to the non-motorized portion of transportation infrastructure.
- ✱ Applications for large projects can be onerous to prepare.
- ✱ Data requirements to demonstrate safety needs and estimate increases in non-motorized trips from the project can be difficult to obtain.

LEARN MORE

For more information about securing Active Transportation Program funding for your community project:

- ✱ About ATP: dot.ca.gov/hq/LocalPrograms/atp
- ✱ 2015 Program Guidelines: catc.ca.gov/programs/ATP/2015/Final%20Adopted%202015%20ATP%20Guidelines.pdf





CASE STUDIES

A Yellow Brick Road for Richmond: Transforming Lives by Transforming Public Spaces

As part of the Active Transportation Program, the California Transportation Commission awarded \$6.2 million in October 2015 to the City of Richmond to improve pedestrian and bike paths using a community-driven “yellow brick road” design in its Iron Triangle neighborhood.

In 2008, a group of Iron Triangle teenagers in a summer youth program came up with a brilliantly simple concept to improve their neighborhood — a Yellow Brick Road.

The idea was to connect families with key community assets such as schools, parks, churches, community centers and transportation hubs through the Yellow Brick Road — a network of “safe, green and clean” pedestrian-bike paths designated by brightly colored yellow brick patterns, stenciled on streets and sidewalks.

The project also features raised crosswalks to slow traffic, pedestrian-scale street lighting, public art, trees, benches, bio-swales, wayfinding signage and other streetscape improvements.

One of the largest awards from the Active Transportation Program, the Richmond grant will go toward constructing the first portion of Yellow Brick Road, which covers streets surrounding Peres Elementary School and the Elm Playlot; 8th Street from Triangle Court to the Richmond Greenway; and all crossings on the greenway including Harbour Way and 2nd, 4th, 8th and 20th streets.

The diverse, one-square-mile neighborhood of 15,000 residents (60% Latino, 27% African American) has high rates of low-income households, where 50% of the children live in poverty, and has suffered from a prevalence of violent crime and health problems.



The condition of the pedestrian infrastructure and surrounding environment make for a challenging walking experience. Sidewalks are broken or missing along some of the routes and abandoned buildings, squatters, dogs and litter often present uncomfortable conditions. Creating a more inviting pedestrian environment will greatly improve safety, comfort and mobility.

Between 2007 and 2012, a total of 68 pedestrian and bike-related collisions, including one fatality, were reported at intersections and mid-block locations in the study area.

In 2012, the City of Richmond and its partners, the Local Government Commission and Pogo Park, received a Caltrans Environmental Justice Transportation Planning Grant (\$243,355) to turn this “yellow brick road” neighborhood vision into a plan. Fehr and Peers, a transportation planning and engineering firm, and Dan Burden of Blue Zones, LLC, helped guide the community-driven visioning process used to develop the plan and prepare detailed design concepts.

During the community-design process, neighbors tested potential street changes during a “Living Preview” demonstration that included a makeshift roundabout, bulbouts and temporary installations of trees, benches and street markings.

A cadre of residents of all ages, led by Pogo Park founder Toody Maher, walked every street in the neighborhood over a two-week period to identify pedestrian obstacles.

“Cars come second after children and play,” Maher said.

The idea has since been incorporated into the City’s Pedestrian and Bicycle Master Plan as well as its 2014 “Health in All Policies” strategy to address health disparities in Richmond.

Read more about the innovative plan details and tactical-urbanist techniques used to engage community involvement in the Yellow Brick Road visioning and design process: ci.richmond.ca.us/DocumentCenter/View/36050

BEFORE



AFTER



Making Connections: Oakland Downtown, Better Bike Lanes and Urban Greenways in the East Bay

As part of the 2015 ATP funding cycle, the California Transportation Commission and the Metropolitan Transportation Commission awarded the City of Oakland a \$4.6 million grant to redesign a section of 20th Street near Lake Merritt.

Downtown Oakland is the cultural and business hub of the East Bay, and more than 40% of Oakland jobs are located in and adjacent to downtown.

The 20th Street corridor – from Broadway to Harrison Street – is an important downtown corridor because it connects to the 19th St. BART station (a major stop for downtown workers and shoppers), Lake Merritt (a regional recreational draw) and several large office buildings that are home to established corporate brands and new tech companies.

In its current form, most of the street right-of-way is dedicated to cars and trucks, even though traffic volumes are light. The street makeover will turn underused travel lanes into widened sidewalks and bike lanes. Bus islands will help eliminate the crossover conflicts between bicyclists and buses at bus stops.

This funding will help the City of Oakland implement its Bicycle Master Plan, and follows a Complete Streets policy that is being incorporated into its new paving projects, including bikeways and ADA improvements.

In 2014, \$3.2 million in ATP funding also went to close bike-pedestrian gaps between Lake Merritt and the Bay Trail.

Urban Greenway Links

The Alameda Transportation Commission received \$2.6 million in 2014 to help transform 15 miles under the BART tracks from Oakland to Hayward into a bike and pedestrian path. This stretch of the Greenway along the “spine” of Alameda County, forming a critical link in a multimodal transportation network, providing safe pedestrian and bicycle access – separated from traffic – to buses, BART, commercial districts and job centers.

Completing the Cycle: Better Bike Lanes in Contra Costa County

In San Pablo, Rumrill Boulevard will receive \$4.3 million in 2015 ATP funding for protected curbside bike lanes, with green paint through most intersections, and parking-protected bike lanes in some sections. The project will connect these routes with planned bike lanes on San Pablo Avenue, Contra Costa College and, when the Richmond section of Rumrill Boulevard gets built, to the Richmond BART station.



TOOL 4

Tax Credits

Tax credits produce capital for a qualified project, and thereby reduce the amount of development cost that needs to be funded through debt or other sources. Tax credits are awarded to a project. The project sponsor then sells these credits to investors, who benefit by using them to directly lower the amount of tax they owe.

Some common types of tax credits are geared toward encouraging new markets, low-income housing and historic preservation. It is possible to apply different categories of tax credits to fund a project. For example, a project sponsor could make use of historic preservation and low-income housing tax credits in the same project.

The New Markets Tax Credit (NMTC) Program was established in 2000 to spur new or increased investment in operating businesses and real-estate projects in low-income communities.

Under NMTC, “low-income communities” are any population census tract that has a poverty rate of at least 20%; or the tract’s median-family income doesn’t exceed 80% of statewide median-family income if it is not within a metropolitan area; or the tract’s median-family income doesn’t exceed 80% of the greater of statewide or metropolitan-area median-family income if the tract is located within a metropolitan area.

Also eligible are “low-income communities” defined by the American Jobs Creation Act of 2004, including High Out-Migration Rural County Census Tracts, Low-Population/Empowerment Zone (EZ) Census Tracts, and Targeted Populations.

Individual and corporate investors receive a tax credit against their federal income-tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs).

The credits total 39% of the original investment amount, and are claimed over seven years. Tax credits are allocated through a competitive application process, and can be allocated to investors or directly to projects. The program is administered by the U.S. Treasury Department’s Community Development Financial Institutions (CDFI) Fund.

The New Markets Tax Credit program expired at the end of 2014, but two bills (H.R. 855 and S. 591) have been introduced, which would extend the program indefinitely if passed.

Federal Low-Income Housing Tax Credits (LIHTC) are allocated to each state annually to encourage private investment in affordable rental housing. Two types of federal LIHTC are available: 9% credits and 4% credits.

New construction and rehabilitation projects that don’t involve a federal subsidy and meet the highest housing priorities and



public policy objectives are eligible for 9% credits. Projects involving a federal subsidy, including projects financed more than 50% with tax-exempt bonds, are eligible for 4% credits.

The 9% and 4% credits refer to the approximate percentage of a project’s eligible costs taxpayers may deduct from their annual federal tax liability each year for 10 years as long as the project remains affordable for the minimum compliance period.

California also has a state LIHTC program to supplement projects that have received, or are receiving, federal LIHTC. The California Tax Credit Allocation Committee (treasurer.ca.gov/ctcac) administers LIHTC programs in California.

Affordable housing developers apply for LIHTC that can then be awarded to investors in exchange for the provision of funds for affordable apartment projects. Benefits are derived primarily from the tax credits over a 10-year period.

Historic Preservation Tax Credits encourage private-sector investment in the rehabilitation and reuse of historic buildings. A 20% credit is available for the rehabilitation of certified historic buildings. (Owner-occupied residential properties do not qualify for this credit.)

TOOL 4. TAX CREDITS

A 10% credit is available for the rehabilitation of non-historic buildings placed in service before 1936. The building must be rehabilitated for non-residential use. The credit percentage is based upon the amount spent on qualifying rehabilitation costs.

State Historic Preservation Offices are the point of contact for property owners.

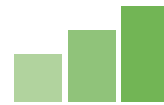
WHAT THEY FUND

New Markets Tax Credits can finance businesses and economic development projects in low-income, economically distressed communities. Between 2003 and 2013, \$35 billion in direct NMTC investments were made, which leveraged nearly \$70 billion in total capital investment.

Low-Income Housing Tax Credits can finance new construction or rehabilitation of affordable rental-housing projects only. On average, more than 1,450 affordable-housing projects and 110,000 affordable units are placed into service each year through the use of federal LIHTC.

Historic Preservation Tax Credits can finance rehabilitation of historic or qualifying non-historic buildings. More than \$73 billion of private investment has been leveraged to preserve 40,380 historic properties since 1976.

PROJECT SCALE



SMALL to
LARGE

* partial funding
for projects

RESOURCES



MODERATE
to COMPLEX

PARTNERS AND STAKEHOLDERS

Local government managers, elected leaders and staff can collaborate with banks, nonprofit development corporations, local community development finance institutions and real-estate developers to identify and support partnerships using tax credits to incentivize projects.

Typical partners for each tax credit described include:

New Markets Tax Credits: Individuals and corporate investors; Community Development Entities. The U.S. Treasury Department's Community Development Financial Institutions Fund administers the program.

Federal Low-Income Housing Tax Credits: Affordable housing developers and investors. The California Tax Credit Allocation Committee administers the program.

Historic Preservation Tax Credits: Property owners of eligible buildings. The National Park Service, Internal Revenue Service and the State Historic Preservation Office administer the program.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ Tax credits incentivize investment in low-income and economically distressed areas.
- ✧ Tax credits provide gap funding for the development of affordable housing.
- ✧ Tax credits incentivize preservation and rehabilitation of historic buildings.

LIMITATIONS

- ✧ Tax credits provide only part of the funding that a project needs (gap funding).
- ✧ NMTC and LIHTC are limited to funding application periods.
- ✧ NMTC and LIHTC are competitive (limited funds).
- ✧ The scope of eligible projects is limited.

LEARN MORE

For more steps on how to use tax credits for your project:

- ✧ New Markets Tax Credit Coalition, New Markets Tax Credit Fact Sheet, nmtccoalition.org/fact-sheet
- ✧ U.S. Department of Housing and Urban Development, huduser.org/portal/datasets/lihtc.html
- ✧ National Parks Service, nps.gov/tps/tax-incentives.htm



CASE STUDIES

Low Income Housing Tax Credits: Peoples’ Self-Help Housing and Casas de las Flores in Carpinteria

Casas de las Flores, a 43-unit, townhouse apartment project in Carpinteria, opened in October 2015. The site – a former blighted camper park – has been owned for a dozen years by Peoples’ Self-Help Housing, a national, award-winning nonprofit organization (pshhc.org) that develops affordable housing and community facilities for working families and special-needs populations such as seniors, veterans, the disabled and the formerly homeless.

The project cost a total of \$17.8 million. Peoples’ Self-Help Housing was awarded approximately \$11 million in federal 9% LIHTC to facilitate financing. As a result, financing was secured through a National Equity Fund tax-credit investment. The project also received approximately \$1.5 million in LIHTC for short-term financing (during construction).

Loans were provided through JP Morgan Chase (construction loan) and the California Community Reinvestment Corporation. Funds were also obtained from the Housing Trust of Santa Barbara, the County of Santa Barbara (HOME funds), and Section 8 project-based vouchers allocated by the Santa Barbara County Housing Authority.

Major donors, including several area foundations, and churches, contributed another \$400,000. Other local businesses and individuals also donated by “adopting” the doors to the new townhomes.

The project broke ground in April 2014, initiating an 18-month construction period. The lottery drawing to select the new residents was held in April 2015.

The apartments are affordable to low-, very-low and extremely low income households. The project includes one-, two- and three-bedroom units, which will be energy-efficient, exceeding Title 24 requirements by 17.5% and earning a certified GreenPoint rating of 100.

The housing development also features a community kitchen and community room, a youth learning and computer center,

Funding Source	Amount
Tax Credit Equity (during construction)	\$1,501,338
California Community Reinvestment Coalition – Tranche A	\$1,177,800
California Community Reinvestment Coalition – Tranche B	\$1,506,900
Santa Barbara Housing Trust Fund	\$430,000
County of Santa Barbara (HOME funds)	\$1,209,957
City of Carpinteria (fee waiver)	\$475,403
NeighborWorks America	\$125,000
General Partner Contribution	\$194,600
Tax Credit Equity (post-construction)	\$11,232,040
TOTAL	\$17,853,038

health clinic space, offices, a tot-lot playground, a half-court basketball court, walking paths, open space and new laundry facilities.



National Park Service

Housed within the head house and shed of the historic Pier 15 – constructed in 1931 and nearly three football fields long – the Exploratorium has been designed for zero-net energy consumption. Perhaps the largest zero-net museum in the U.S., the renovated facility has 5,874 rooftop solar panels, offsetting 33,150 tons of CO₂ emissions over the next 30 years.

It also uses filtered bay water pumped through a heat exchanger in a closed-loop circulation system to help regulate the indoor temperature throughout the museum.

subsidies, private equity, and low-income housing and historic tax credits.

A designated historic-cultural monument, the rehabilitated hotel is now home to 51 units of affordable housing above ground-floor commercial. Located across from Mariachi Plaza where mariachi bands gather to perform, it also houses a mariachi cultural center and three rehearsal rooms.



National Park Service

LA's Boyle Hotel: Preserving Affordable Housing and Music

On an eastern hill overlooking downtown Los Angeles, the historic Boyle Hotel is the last remaining commercial building from the Boyle Heights neighborhood's transition from farmland to suburb in the 1880s.

In disrepair and in danger of being demolished, the East LA Community Corporation purchased the building in 2006, leveraging \$23 million through a mix of local and state

Historic Hollywood Homes Get Special Treatment

In another part of Los Angeles, Historic Preservation Tax Credits also helped rehabilitate the Hollywood Bungalow Courts, built in the 1920s and typical of the housing found in early 20th-century Tinsel Town.

A tear-down target, the four courts had fallen into disrepair, but they retained many of their historic features (quirky interiors, courtyard walks and welcoming porches) and were acquired by the Hollywood Community Housing Corporation. An \$11-million renovation process converted the apartments to homes for special-needs and low-income residents.



National Park Service

CASE STUDIES

Historic Preservation Tax Credits.

Rehab Goes Green: New Museum Moves into Old Building

Thanks in part to Historic Preservation Tax Credits, the new Exploratorium Museum opened on San Francisco's waterfront in 2013, joining the iconic Ferry Building and several other piers that have also used these tax credits for rehabilitation projects in the city's Embarcadero Historic District.



National Park Service



CASE STUDIES

New Markets Tax Credits Kick In: Rumrill Sports Park in San Pablo

The City of San Pablo, in partnership with the San Pablo Economic Development Corporation, remediated and developed a former 4.5-acre Burlington Northern & Santa Fe Railroad corporation yard into a multi-use sports park, using NMTC and other funding.

The Northern California Community Loan Fund, a nonprofit lender serving as the community-development entity, provided \$2.17 million under NMTC toward the \$6.96 million park project. Other funding sources included State of California Proposition 84 (\$3 million), the U.S. Environmental Protection Agency (\$600,000), East Bay Regional Park Measure WW (\$425,538) and CalRecycle (\$125,064).

Project design was completed in June 2014, and construction began in August 2014. Completed in September 2015, the Rumrill Sports Park includes three youth soccer fields, a small practice field, picnic, play and BBQ areas, an office, restrooms, on-site parking and field lighting. The park is open for soccer leagues and special events.

Funding Source	Amount
State of California Proposition 84	\$3,000,000
New Markets Tax Credit	\$2,171,000
Environmental Protection Agency	\$600,000
East Bay Regional Park Measure WW	\$425,538
CalRecycle	\$125,064
City General Fund	\$638,398*
TOTAL (* approximate costs)	\$6,900,000*

TOOL 5

Social Impact Bonds

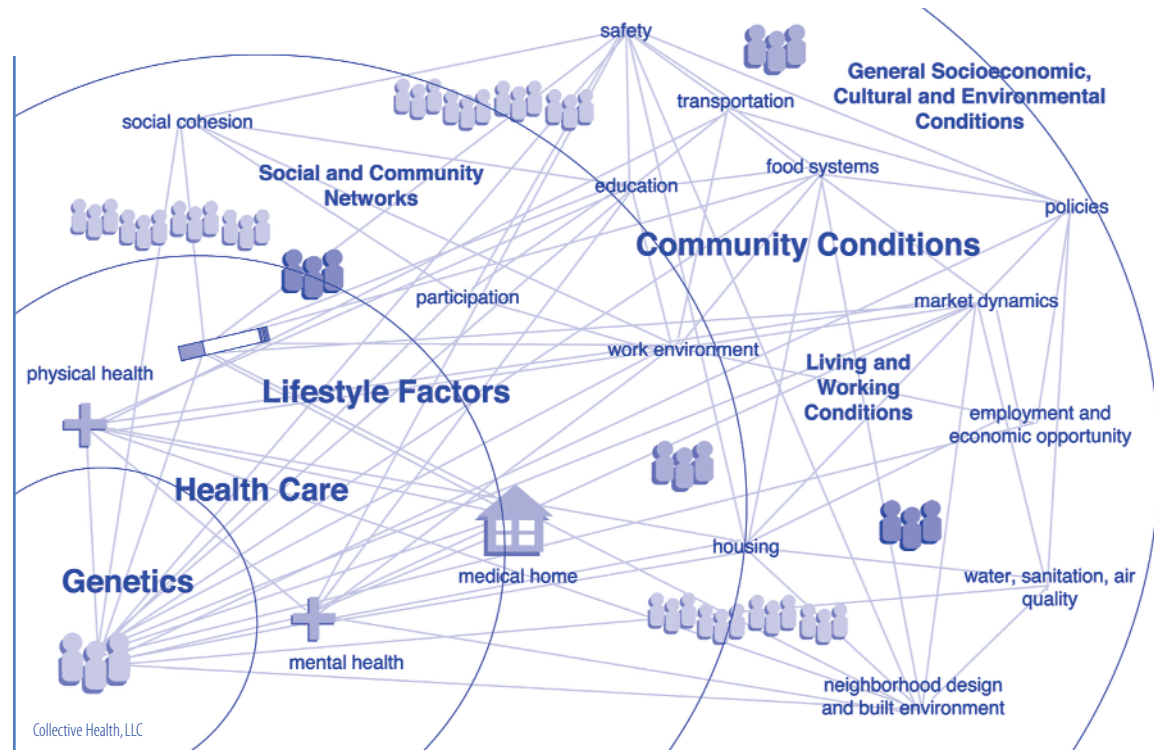
A Social Impact Bond — also known as a “Pay for Success” Bond or a “Social Benefit” Bond — is an innovative financing model where private investors supply capital for projects or programs designed to improve social outcomes and reduce government spending.

An intermediary manages the project or program, including the implementing service providers, and knows the government’s target results and savings. Target results must be specific and clearly measurable.

If the targeted results are achieved, the intermediary provides a financial return to private investors, funded by government savings directly realized from the project or program.

Social impact bonds can attract new funding sources for prevention-oriented or intervention-type programs expected to deliver measurable social benefits such as improved physical health (reduced hospital costs), more successful education programs, improved housing conditions and reduced recidivism, thus saving taxpayer dollars in the process.

The potential application for health-focused impact bonds, for example, could be immense. More than three-quarters of annual U.S. healthcare costs — and 7 in 10 deaths — result from chronic diseases that are preventable. (See the Fresno case study for a discussion of the first health-specific social impact bond in the U.S.)



WHAT THEY FUND

Wide range of social issues, including homelessness and recidivism.

PARTNERS AND STAKEHOLDERS

Social impact bonds involve a combination of private investors, local government and nonprofits. Local governments working with communities can identify challenge areas and target investments with performance criteria to achieve change through social impact bonds.

PROJECT SCALE



RESOURCES



STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ Social impact bonds provide fiscal savings for local governments.
- ✧ These bonds leverage government funds.

- ✧ More funds are available for prevention and early intervention.
- ✧ Potential benefits make the bond politically attractive.
- ✧ A third-party investor bears the risk.
- ✧ Independent evaluation improves transparency in government spending.
- ✧ Investors and servicers have an incentive to be as effective as possible. The bigger impact, the larger the repayment they will receive.
- ✧ Ongoing evaluation of program impacts accelerates the rate of learning about effective approaches.
- ✧ These bonds help reposition government spending toward programs and approaches that work.

LIMITATIONS

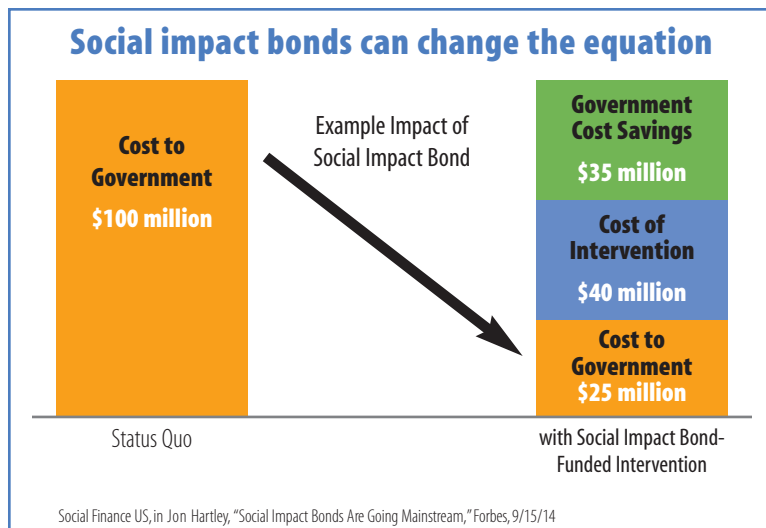
- ✧ Significant management, coordination, performance management and monitoring are required.

- ✧ These bonds reduce public responsibility for social services.
- ✧ The community may not want certain investor and donor influences over local social programs.
- ✧ Donors will seek to fund programs that can be more easily observed and measured. More complex structural problems – harder to quantify – may be unable to access these funds. Thus, the terms of these instruments may be set to overpay for more readily achievable goals. And long-term problems are not financed.

LEARN MORE

To learn more about using social impact bonds in your city:

- ✧ Center for American Progress, cdn.americanprogress.org/wp-content/uploads/issues/2011/02/pdf/social_impact_bonds.pdf
- ✧ Social Finance, socialfinanceus.org/sites/socialfinanceus.org/files/small.SocialFinanceWPSingleFINAL.pdf



"I'm excited about the opportunity to build public health and prevention into an economic model."

– U.S. EPA Administrator
Gina McCarthy



Peter daSilva / New York Times



Amanda Font / KQED



Richmond Confidential

CASE STUDIES

Richmond Targets “Zombie” Blight with Social Impact Bonds

In June 2015, the Richmond City Council voted to issue up to \$3 million in social impact bonds to purchase, rehabilitate and sell blighted properties.

The effort targets “zombie properties” – those that the private sector has walked away from because they are so dilapidated and distressed that it is cost-prohibitive to undertake rehabilitation. There are an estimated 1,000 boarded-up, abandoned houses in Richmond, and each one costs the City about \$7,000 annually in clean-up and police response to crime – amounting to about \$7 million citywide each year.

The Richmond Community Foundation is facilitating the program from acquisition to sale of the properties. Local contractors will be sought to perform the renovation work and hire workers through the City’s RichmondBUILD job-training program – helping to keep money and employment opportunities in the community.

Families participating in SparkPoint Contra Costa, a financial literacy program, will be given the first opportunity to purchase the homes through SparkPoint’s First Time Home Buyer program, which helps remove barriers for middle- and low-income potential homebuyers through counseling, improved access to resources and financial advice.

City revenues will not be used, and the bonds are paid solely from the revenues generated from the sale of the rehabilitated houses. The bonds are intended for social-impact investors less concerned with maximizing risk-adjusted returns than in using their capital for public benefit.

“This program will accomplish the important task of acquiring and rehabilitating distressed homes in order to improve neighborhoods and provide safer and more affordable housing for Richmond residents,” said Mayor Tom Butt. “The City will, as a whole, benefit from the practice of social-impact investing because the bonds are paid solely from the revenues generated from the sale of the rehabilitated properties.”

The program was originally proposed by John Knox of Orrick, Herrington & Sutcliffe, LLP, who is providing pro bono legal support for the project. Home Depot has also recently agreed to provide assistance to the program.

The Richmond bond is a great example of cross-sector collaboration in which private for-profit companies, governments and nonprofits join forces to tackle stubborn social problems.

CASE STUDIES

Fighting Asthma in Fresno: Making Case for First Health Impact Bond

The California Endowment funded a health-focused social impact bond to start a two-year demonstration project in Fresno focused on prevention strategies to manage and prevent asthma.

The goal is to demonstrate the potential of social impact bonds to address the substantial cost and health impacts of childhood asthma by reducing the use of expensive emergency and hospital services for asthma treatment and producing sizable returns for investors over a relatively short term.

The project lays the groundwork for the first health-focused social impact bond in the nation, and, by demonstrating the dual social and financial benefits of early investment in preventive care, is expected to be a catalyst to entice investors to invest in other social-impact bonds.

Asthma is a good target for this inaugural test case because it is the No. 1 chronic disease among children nationwide. Fresno has one of the nation's highest asthma rates, with nearly one in five children affected (twice the national average).

Asthma emergency-room visits and hospitalizations cost Fresno health insurers and other payers about \$35 million a year.

Working with about 200 children from low-income families (covered by Medi-Cal), the Fresno project tracks their ER visits and inpatient hospitalizations. If successful, the program could potentially expand to up to 3,500 children with capital from a social impact bond.



“A health-impact bond is a way of raising money for a proven health program and prevention that result in better health outcomes and lower costs,” said Rick Brush, CEO of Collective Health (collectivehealth.net), the social enterprise company that helped develop the idea for the asthma demonstration project.

“Most of the nation’s health care dollars are spent after people get sick,” Brush explained. “This project will demonstrate the financial value of expanding a proven prevention program to a much greater number of children who will benefit.”

The project is targeting a 30% reduction in ER visits and seeking to cut hospitalizations in half, which would yield an annual net savings of approximately \$5,000 per child.

The prospect of getting future investors to put up money for a social-impact bond will require evidence that such strategies actually save money on health-care spending and that investors will get back a portion of those savings.

In this case, for example, Medi-Cal funds that were previously used to pay for medical services could instead cover an investment to reduce asthma hospitalizations.



Social Finance, Inc. (socialfinanceus.org), a nonprofit social impact bond intermediary, is also a partner on the project. A \$1.1 million social-impact bond has been issued for this project, according to Social Finance.

Central California Asthma Collaborative and Clinica Sierra Vista are responsible for the design and implementation of the program, and Regional Asthma Management and Prevention is providing technical assistance. The partners engage with the families to provide home care, education and support in reducing environmental triggers such as cigarette smoke, dust mites, mold, pet dander and other indoor-air allergens.

Through the program, participating families can get a vacuum with a high-efficiency filter, hypoallergenic pillow cases, a machine to measure indoor humidity, green cleaning products and deep carpet cleaning to help reduce symptoms and other products. Asthma educators also talk with families about the proper use of asthma medications.

TOOL 6

Community-Benefit Agreements and Programs

In exchange for award of a special land use, tax or other benefit, a real estate developer or company may voluntarily or necessarily enter into an agreement with local government or a community organization to provide specified community benefits. The agreement is termed a “Community Benefit Agreement” (CBA) and codifies special benefits a developer or company is to receive and provide. CBAs are negotiated on a case-by-case basis.

In addition to CBAs, local governments have the option to put into place a systemized approach, termed a “Community Benefit Program” (CBP) to confer and extract benefits to and from a real estate developer or company.

A Community Benefit Program outlines a menu of benefits that a developer or company may apply for in exchange for providing certain benefits to the community that could be pre-established in coordination with community organizations or in accordance with community goals established in an adopted framework such as a General Plan.



WHAT THEY FUND

Among the projects and services that can be financed, and benefits achieved:

- ✧ Affordable housing.
- ✧ Transportation.
- ✧ Parks and recreational facilities.
- ✧ Public art.
- ✧ Living-wage and prevailing-wage requirements.
- ✧ Local hiring goals.
- ✧ Job-training programs.
- ✧ Contracting goals for minority, women-owned and local businesses.

PROJECT SCALE



RESOURCES



- ✧ Retail/commercial space set-asides for small and local businesses.
- ✧ Big-box retail restrictions.
- ✧ Green building requirements.
- ✧ Space set-asides for neighborhood organizations, community centers, childcare centers and other nonprofits.
- ✧ Provisions for community input in selecting tenants.
- ✧ Funding for community organizations and programs.
- ✧ Mitigations in excess of those required under state and local law that address parking, traffic, increased pollution and other environmental impacts.

PARTNERS AND STAKEHOLDERS

Community-benefits coalitions typically represent a broad array of stakeholders, and could simply be an association of neighborhood groups or community organizations with common goals.

Community-benefits coalitions recognize that high-quality new development is critical for increasing prosperity for individual, families and the neighborhood.

A CBA is achieved through coordination and negotiations between a community benefits coalition and a developer, and either the coalition or the developer could initiate discussions.

Stakeholders in the development of a Community-Benefit Program include, but are not limited to, local government, community members, developers, businesses, and local agencies.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✱ Direct dialogue among community members and developers can increase the likelihood of a project's approval.
- ✱ CBAs provide a forum outside of the prescribed public review process for community members to provide feedback and negotiate with a developer.
- ✱ A CBA can be structured as deemed necessary and appropriate by the parties to the CBA.
- ✱ A Community Benefit Program increases certainty in realizing community benefits.

LIMITATIONS

- ✱ A CBA cannot always be enforced unless another mechanism is established, such as a development agreement negotiated between the jurisdiction and the developer.

- ✱ If not structured properly, a Community Benefit Program could trigger compliance under the Mitigation Fee Act (AB 1600; Government Code Section 66000 et seq.), which requires that any impact fee to be related and proportional to the impact created by the development. A Community Benefit Program that includes a fee payment by the developer in exchange for an incentive must be voluntary to avoid triggering a nexus study under the Mitigation Fee Act.
- ✱ As real-estate markets cycle, the level of benefits that projects or companies can support may vary.

LEARN MORE

To learn more about Community Benefit Agreements:

- ✱ Partnership for Working Families, forworkingfamilies.org/resources/policy-tools-community-benefits-agreements-and-policies



CASE STUDIES

Transforming Oakland's Brooklyn Basin into a Vibrant Neighborhood

The Brooklyn Basin project, a redevelopment project on 65 acres along the Oakland Estuary, will transform a predominantly industrial area south of I-880 into a vibrant, revitalized neighborhood. The plan features more than 3,000 residential units, 200,000 square feet of ground-floor retail space, almost 32 acres of parks and open space, two renovated marinas and a wetlands restoration area. The entitlement process extended over 10 years.

During the entitlement process, the developer entered into a CBA with the Oak to 9th Community Benefits Coalition and a development agreement with the City of Oakland, which included developer obligations for local hiring and job training, contracting with small local businesses, and affordable housing.

The coalition is comprised of numerous area stakeholder organizations, including the Asian Pacific Environmental Network, the East Bay Asian Youth Center, Oakland Community Organizations and the Urban Strategies Council.

A Cooperation Agreement was also executed between the Coalition and the City of Oakland Redevelopment Agency. The Cooperation Agreement included requirements for the construction of new affordable housing and described the coalition's support of the Brooklyn Basin project.

While the CBA requires coordination between various groups over long periods, which can be challenging, compliance with the CBA is ensured through the development agreement and Cooperation Agreement, in addition to a committee, including City of Oakland staff, labor representatives and the developer.

The project broke ground in February 2014. The first buildings are scheduled to be completed in December 2016, with the first residents moving in during early 2017.

Read more about the transformation: brooklynbasin.com





TOOL 7 Community Development Corporations

A Community Development Corporation (CDC) is a nonprofit, neighborhood or community-based organization that can perform a range of economic development functions typically serving lower-income residents or struggling, underserved neighborhoods.

The economic development functions that CDCs provide include creating affordable housing, real-estate development, commercial revitalization, business loans, technical assistance, job training and social services.

A CDC has a board of directors typically comprised of local residents who may be appointed by the City Council. CDCs can be funded through federal and state grants, a city's general fund, tax credits, revolving loan funds, business improvement districts (Tool 10), donations and other sources.

Three of the national intermediaries that support CDCs are the Local Initiatives Support Corporation (LISC), Enterprise Community Partners, and NeighborWorks America.

WHAT THEY FUND

Community Development Corporations are flexible in terms of what they can finance:

- ✧ Affordable housing (including new construction, homebuyer assistance and rehabilitation).
- ✧ Real-estate development (new construction, acquisition and rehabilitation, mixed-use).
- ✧ Development of community-serving uses and facilities.
- ✧ Small-business loans and assistance.
- ✧ Job-training programs.
- ✧ Educational and counseling programs.
- ✧ Façade improvements.
- ✧ Community branding and marketing events.

PROJECT SCALE



RESOURCES



PARTNERS AND STAKEHOLDERS

Local residents, neighborhood groups and businesses that want to improve their community are key participants in forming a CDC. Initial CDC funding may be provided by local government entities or donations from small businesses and large corporations.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ CDCs are flexible in terms of projects and services to fund.
- ✧ CDCs offer a long-term mechanism for revitalization.
- ✧ CDCs have the ability to reuse dollars through revolving loan funds.
- ✧ CDCs can support coordinated economic-development activities.
- ✧ CDCs can obtain funding resources not otherwise available, such as donations.

LIMITATIONS

- ✧ Engaged local residents, businesses and/or stakeholders are needed to initiate and form a CDC.
- ✧ Local government may have little influence over decisions (although this could also be considered a positive feature).
- ✧ Lack of qualified professionals who may consider CDC employment opportunities.
- ✧ CDCs may take more than 12 months to form.

LEARN MORE

For more steps on how to set up a Community Development Corporation:

- ✧ Local Initiatives Support Corporation (LISC), lisc.org
- ✧ Enterprise Community Partners, enterprisecommunity.com
- ✧ NeighborWorks America, neighborhoodworks.org
- ✧ Community-Wealth.org, community-wealth.org/strategies/panel/cdcs



CASE STUDIES

Oakland's Fruitvale Village and The Unity Council

Fruitvale is a neighborhood district located a few miles south of downtown Oakland. Once a vibrant agricultural and cannery center, Fruitvale became a distressed neighborhood, characterized by high unemployment, a large percentage of households below the poverty line, and a high crime rate.

In the 1990s, the Spanish-Speaking Unity Council created a CDC that developed plans for the area adjacent to the Fruitvale BART station. Construction began in 1999, and today Fruitvale Village is a 257,000 square-foot “transit village” connected to downtown by International Boulevard, a vibrant commercial artery with a wide variety of shops and other businesses.

The project vision was to strengthen existing community institutions and catalyze neighborhood revitalization – physically, economically and socially.

To fulfill these goals, the Unity Council (unitycouncil.org), a CDC, and its partners leveraged public and private investment to create a mixed-use development with a mix of moderate- and



high-density housing, along with complementing public uses, jobs, retail and services, along the regional transit system (the village is adjacent to the BART Fruitvale station).

THE DEVELOPMENT’S MAJOR COMPONENTS

- ✿ 47 units of mixed-income housing.
- ✿ 114,000 square feet of community services (clinic, library and senior center) and office space (including the Unity Council’s headquarters).
- ✿ 40,000 square feet of neighborhood retail shops and restaurants.
- ✿ 150-car parking garage within the buildings – plus a large parking garage for BART riders.

The Unity Council and its partners were able to obtain very substantial funding for the project, initially in the form of planning grants, and then later as grants and loans for construction.

Once basic sources of equity and other contributions were committed, CitiBank sponsored the issuance of tax-exempt bonds for the balance. The variety and complexity of these funding sources was remarkable, with approximately 30 different contributors.

Funding Source	Amount
■ EQUITY	
Federal Emergency Management Agency	\$1,045,304
Ford Foundation	\$122,000
R&R Goldman Fund	\$300,000
Levi-Strauss	\$226,881
E&W Haas Jr. Fund	\$400,000
PG&E	\$50,000
Neighborhood Reinvestment Corp.	\$100,000
National Council of La Raza (NCLR)	\$25,000
Land Proceeds	\$517,025
Total–Equity	\$2,786,210
■ CITY OF OAKLAND	
City EDI	\$3,300,000
Economic Development Administration Grant	\$1,380,000
Measure K Bonds (prepaid lease)	\$2,540,000
City Library (\$4.5 million prepaid lease)	\$4,900,000
Community Development Block Grant/Other	\$77,339
Environmental Protection Agency Grant	\$99,998
City-BTA Bike Station	\$400,000
Tax Increment Allocation (B) (LISC)	\$4,000,000
Total–City of Oakland	\$16,697,337

The planning process began in 1992, and although plans were finalized in 1999, it took an additional two years for financing to be secured. Initial project occupancy occurred in 2003.

Funding Source	Amount
■ DEPT. OF TRANSPORTATION / BART	
Metropolitan Transportation Commission	\$47,121
FTA Child Development Center	\$2,300,000
FTA Pedestrian Paseo	\$780,000
FTA CMA Bike Facility	\$400,000
FTA Pedestrian Plaza	\$2,228,534
Total–Dept. of Transportation/BART	\$5,755,655
■ INTEREST / MISCELLANEOUS	
Interest/Other	\$643,707
Additional Bond Funds Interest/Misc.	\$176,661
Total–Interest / Miscellaneous	\$820,368
■ DEBT	
Unity Council FTV/Perm Loan	\$885,473
Unity Council Bridge Loan	\$911,830
NCBDC	\$750,000
City Section 108	\$3,300,000
Citibank Subordinate	\$1,400,000
City Housing Loan	\$750,000
501 (c)3 Bonds	\$19,800,000
Total–Debt	\$27,797,303
TOTAL	\$53,856,873





Portland Mercado



Portland Development Commission



Anna Jay Goellner

CASE STUDIES

The Hacienda Community Development Corporation Launches Portland Mercado

Portland Mercado (portlandmercado.org) is a Latino focused micro-enterprise, multi-function operation in the Mt. Scott-Arleta and Foster-Powell neighborhoods in Portland. Opened in April 2015 with 19 businesses, it features a grocery and produce business, a beer and wine shop, a meat shop and chorizo business, coffee shop, party shop, and juice and fruit store.

Service businesses are located on the second floor. A full-time commissary kitchen is available for community members who want to start a food business. Affordable retail spaces are available for businesses to launch and grow, and food carts share a court in the outdoor plaza.

The planning effort behind Portland Mercado started in 2010 as a Portland State University graduate workshop, in partnership with the Hacienda Community Development Corporation (haciendacdc.org).

Over the next few years, Hacienda CDC, in collaboration with community members and aspiring entrepreneurs, fleshed out the plan and looked for a suitable location. They landed on the current site, reusing and transforming a 6,500 square-foot building on a 0.75-acre lot (that held a bank and car dealership) to accommodate the new development.

The \$3.2 million project was made possible with the help of grants and loans, and assistance from the Portland Development Commission, the City’s urban renewal and economic development agency that is primarily funded through tax-increment financing.

Other funding sources included New Markets Tax Credit funds and financial participation from nonprofits, federal agencies and foundations. The Portland Development Commission owns the property and extended a long-term lease of the property to Hacienda CDC for \$1 a year.

The biggest retail space inside the building is Micro Mercantes Incubator and Kitchen, an affordable commercial kitchen available for rent on a sliding scale (starting at \$13/hour) to help low-income entrepreneurs start food careers and businesses. The kitchen is open 24/7.

Micro Mercantes also offers training and business advising – available in Spanish – for entrepreneurs in the beginning stages of their business. Businesses in the training program have access to a range of foundational classes, with management topics such as insurance and registration, and food-industry topics such as ingredient sourcing and safe food handling.

Hacienda CDC bought each of the eight \$20,000 food carts that serve outdoor prepared foods. The CDC helped each business owner create an Individual Development Account, savings accounts where donors match the owner’s dollars three-to-one. Hacienda also provides utilities, Internet and training to help businesses succeed, but the owners have to pay rent and secure their own permits.

TOOL 8

Community Development Financial Institutions

Community Development Financial Institutions (CDFIs) are private, mission-driven intermediaries that deliver affordable credit, capital and financial services to residents and businesses in minority and economically distressed communities. These communities may not have access to financial services from traditional financial institutions, which is where a CDFI steps in.

CDFIs lend to a variety of users, including community development corporations (Tool 7) and other nonprofit organizations, business owners, real-estate developers and individuals.

CDFIs can finance local businesses, affordable-housing developments and community facilities; offer consumer-banking services (credit unions); or provide loan funds such as micro-loans or venture capital.

When conventional banks and CDFIs fund projects jointly, the more risky subordinated debt is typically assumed by the CDFI. CDFIs use both economic gains and mission-driven contributions made to the local community to evaluate success.

The federal CDFI Fund, administered by the U.S. Department of the Treasury, provides support for CDFIs. (The CDFI Fund also administers the New Markets Tax Credits Program, Tool 4). This support includes capital grants, equity investments and awards that fund technical assistance and organizational growth. Limited funds are awarded to CDFIs through a competitive process.

In FY 2014, CDFIs made more than 28,000 loans or investments totaling nearly \$3 billion, financing nearly 10,000 small businesses and more than 25,000 housing units. There are 81 CDFIs in California.

WHAT THEY FUND

Community Development Financial Institutions can finance a wide range of projects and activities:

- ✧ Mortgage financing.
- ✧ Commercial business loans.
- ✧ Micro-business loans.
- ✧ Nonprofit and student loans.
- ✧ Consumer banking services — savings accounts, check cashing, personal loans, home rehabilitation loans.
- ✧ Technical assistance (credit counseling, business planning).
- ✧ Construction of affordable housing.
- ✧ Construction of community facilities.
- ✧ Commercial equity investments.

PROJECT SCALE



RESOURCES



PARTNERS AND STAKEHOLDERS

CDFIs and their lenders, including community development corporations (Tool 7) and other nonprofit organizations, business owners, real-estate developers and individuals.

Federal Legislation Grows CDFIs

The Community Reinvestment Act (CRA) encourages institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods.

First enacted by Congress in 1977, CRA regulations were substantially revised in 1995 to explicitly recognize loans and investments in CDFIs as a qualified CRA activity, which contributed to the growth of the CDFI industry.

Lending institutions' records are evaluated against CRA obligations to provide lending, investments, and services to traditionally underserved neighborhoods in the context of sound lending and good business judgment.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ CDFIs provide a wide range of financial activities.
- ✧ They supply underserved communities with banking and lending services not otherwise available.
- ✧ Funds are obtained from many sources, including corporations, individuals, religious institutions and private foundations.
- ✧ CDFIs provide flexible, market-driven products and services.

LIMITATIONS

- ✧ Attracting capital from new investors can be a challenge.
- ✧ Measuring financial and nonfinancial outcomes may not be standardized.
- ✧ Rural locations may lack adequate access to CDFIs.
- ✧ CDFIs may lack scale and operational efficiencies.

LEARN MORE

For more steps on how to create a Community Development Financial Institution:

- ✧ CDFI Coalition, cdfi.org
- ✧ federalreserve.gov/communitydev/cra_about.htm
- ✧ Community-Wealth.org, community-wealth.org/strategies/panel/cdfis



CASE STUDIES

Growing Support for Farmers: Northern California Community Loan Fund and California FarmLink

The Northern California Community Loan Fund (NCCLF; ncclf.org) is a CDFI with a mission to promote economic justice and alleviate poverty. In addition to other services, NCCLF provides financial services focused on supporting community-based healthy food businesses.

Together with FarmLink, a CDFI that provides access to capital and land to low-income, minority and small-scale farmers (californiafarmlink.org), NCCLF is providing loans to cover farmers' pre-season costs, working capital to buy seeds, and meet other costs to support and expand farm businesses.



CASE STUDIES

Fighting Food Deserts: California FreshWorks Fund Sparks Access to Healthy Food

California FreshWorks is a public-private partnership loan fund created to bring grocery stores and other innovative forms of healthy food retailers to underserved communities. The California FreshWorks Fund is a \$250+ million investment fund designated for this effort. The Fund is administered by NCB Capital Impact, a CDFI, and the lead investor is The California Endowment.

The California FreshWorks Fund (cafreshworks.com) offers loans, grants and New Markets Tax Credits (Tool 4). Loans range from \$250,000 to \$8.75 million, and can be used for real-estate acquisition, construction, equipment, tenant improvements, and inventory and working capital.

New Markets Tax Credits are available for projects requiring more than \$5 million of capital. Grants range from \$5,000 to \$50,000, and can be used for workforce development and local hiring, predevelopment (such as market studies and appraisals), and innovation.

The California FreshWorks Fund has helped to finance a variety of projects:

- ✧ 25th Street Collective, Oakland. Incubator development of a business plan and pilot project for a mobile food-vending program with an emphasis on serving healthy foods in low-income, low-access neighborhoods. (\$5,000 grant)



- ✧ El Rancho Marketplace, Pismo Beach. Equipment and inventory for a family-owned, independent grocer to open a grocery store in a location left vacant when a previous market closed. The new grocery store opened in 2012 and provides well-priced staple foods, natural goods, and an in-house deli serving more than 50,000 residents. (\$1.7 million loan)
- ✧ Heritage Education Group, Compton. A portion of start-up costs for a year-round farmers' market. Held on the grounds of Davis Middle School, the market has partnered with the Compton Unified School District to make healthy foods more available year-round to its students, families and the surrounding community. (\$5,100 grant)
- ✧ Homeboy Industries, Los Angeles. Job-training program that prepares former gang members and other low-income, at-risk individuals for a variety of employment opportunities in the grocery industry. (\$50,000 grant)
- ✧ Northgate González Market, Inglewood. Full-scale renovation of a 30,000 square-foot building left vacant for two years to create a full-service supermarket. The much-needed neighborhood supermarket opened in 2013, serves more than 105,000 residents, and employs more than 100



people. The funding was provided through New Markets Tax Credits financing. (\$7.6 million in NMTC)

The California FreshWorks Fund provides access to capital as a means to address food deserts, improve health, and spark economic development.

TOOL 9

Community Land Trusts

Community land trusts (CLT) are nonprofit organizations that acquire ownership of land to build assets for the community, including the development of affordable housing, commercial districts, and parks and open space. They also play a large role in community organizing, which helps empower underserved communities to actively participate in projects.

CLTs earn funding from various sources of public and private capital, but tend to rely on grants, federal programs and donations. Typically, CLT board membership is comprised of CLT residents, other community members outside the CLT, and outside experts and stakeholders.

While CLTs provide funding and support for many different types of community projects, their primary focus has been on long-term housing affordability in low-income communities.

Affordable-housing CLTs enter a long-term, renewable lease with prospective homeowners, wherein the residents agree to sell the home at a resale-restricted and affordable price for future homebuyers. The homeowner earns some percentage of the increased property value, but the remainder is kept by the CLT to keep housing affordable.

In this way, CLTs prevent market factors from raising housing prices significantly, and residents are also able to build equity through homeownership, which opens new opportunities that may previously not have been available to them.

Forming a CLT can be time-consuming, as many resources (funding, staffing, organizational structure) are required to get the CLT off the ground. CLTs need initial funding, which can be gained from municipal governments, grassroots donations, other existing nonprofits or local businesses and banks.

This can fund the initial staffing and strategic planning efforts, which are important in establishing the CLT's role and scope and the beneficiaries it will serve.

WHAT THEY FUND

Community land trusts are flexible in the types of projects they can fund. Examples include:

- ✧ Affordable housing.
- ✧ Commercial districts.
- ✧ Cooperative housing.
- ✧ Urban and rural agriculture.
- ✧ Conservation of open space.
- ✧ Recreation.
- ✧ Education programs and initiatives.
- ✧ Community organizing.

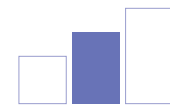


PROJECT SCALE



SMALL to
LARGE

RESOURCES



MODERATE

*Large if CLT is building a commercial district.

PARTNERS AND STAKEHOLDERS

- ✧ Nonprofit organizations (the CLT itself).
- ✧ Foundations, private donors and public organizations provide initial or ongoing funding for the CLT.
- ✧ Community residents may participate as CLT volunteers, staff or boardmembers.
- ✧ Outside experts may provide information and training to CLTs.
- ✧ CLTs often form strategic partnerships with other organizations to strengthen their projects and initiatives.



STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ Community land trusts offer long-term affordability and project security.
- ✧ They work closely with community members.

LIMITATIONS

- ✧ Community land trusts are reliant on outside funding sources to maintain operations.
- ✧ They may take three or more years to form.
- ✧ Restricting the resale value of a home prevents the homeowner from reaping capital appreciation that is a key source of wealth generation for American households.

LEARN MORE

For more steps on how to create a Community Land Trust:

- ✧ National Community Land Trust Network, cltnetwork.org/faq
- ✧ Community-Wealth.org, community-wealth.org/strategies/panel/clts

CASE STUDIES

Health and Safety through Parks and Gardens: Los Angeles Neighborhood Land Trust

Nearly 1.7 million children in Los Angeles County don't live within walking distance of a park. Recognizing the importance of parks and green space in crime reduction and improved health and living standards, the City of Los Angeles provided initial funding to form the Los Angeles Neighborhood Land Trust (lanlt.org) in 2002.

The Trust's mission is to grow healthier and safer communities by creating accessible urban parks and gardens in the region's underserved neighborhoods. To date, the Trust has played an important role in the creation and renovation of 18 parks and gardens, with the goal of launching at least four new projects each year.

The Trust buys private and publicly owned vacant properties in underserved communities and renovates them into green space for recreation or food security.

The community garden is an important part of the Trust's work since many of their target neighborhoods live in food deserts where fresh, healthy foods are not easily available or affordable. Parks also provide space for youth and families to meet and play, creating opportunity for physical activity and childhood development.

Once a property has been developed, the Trust ensures its long-term security by hiring caretakers (often members of the community where the parcel is located) to maintain the site. The Trust also offers programs and workshops to educate the community about farm stewardship and park maintenance.

While the acreage that the Trust owns may be small due to high property costs in the Los Angeles region, the organization has had a large impact on neighborhoods that have traditionally had poor access to recreation and fresh fruits and vegetables.

TOOL 10

Business Improvement Districts

Many communities — large and small — use quasi-governmental entities called “business improvement districts,” or BIDs, to secure funding to foster growth and revitalization of designated commercial business districts. These are commonly property-based (PBID) and business-based (BBID).

More than 200 PBIDs are operating throughout California. Nationwide, more than 2,000 BIDs are being used by communities to support local business enhancements.

For a PBID, property owners pay an assessment determined by some measure of property value. For a BBID, business owners pay an assessment typically determined by some measure of sales revenue, business size or business license fee.

BIDs provide revenue for a variety of local improvements and services that supplement or enhance existing municipal services, such as marketing, public safety, enhanced sidewalk and landscaping maintenance, signage, and parking management and improvements. A BID’s boundaries must be contiguous, and the improvements and/or services must occur within those boundaries.

A BID is generally self-imposed and self-governed. In most cases, property and business owners create a nonprofit organization (a downtown association or community development

corporation, for example), which, by contracting with the city, manages the funds collected and services provided for the BID.

Assessments are paid by either the property owner through property tax bills (PBID) or by the business owner (BBID). For example, a Tourism BID, which focuses specifically on tourism-related marketing and promotions may assess business owners a percentage of a business’ sales or revenues.

The 1989 Parking and Business Improvement Law and the 1994 Property and Business Improvement District Law are the most important enabling acts for BIDs in California. Charter cities are afforded far more flexibility than general-law cities for BID establishment and operation procedures.

For general-law cities, BIDs are valid for an initial term of no more five years. Charter cities have no such requirement for a BID’s initial term. The renewal rate for BIDs after the first term is relatively high.

To establish a BID, the local government must hold a “protest vote” among property owners (for PBIDs) or business owners (for BBIDs) in the proposed district, weighted by the proposed BID assessment. A BID is approved unless more than 50% of the total proposed assessment votes “no.” Generally, PBIDs must follow Proposition 218 procedures (which restricts one group of ratepayers from subsidizing the costs incurred by another group), but BBIDs may not.





WHAT THEY FUND

Based on the enabling statute, BIDs are flexible in terms of the activities and projects they can fund, except that they cannot replace existing municipal services. For example, BIDs may fund:

- ✧ Management and operations.
- ✧ Marketing.
- ✧ Special events.
- ✧ Public safety.
- ✧ Enhanced maintenance (such as sidewalk cleaning, graffiti removal and landscaping).
- ✧ Public art.
- ✧ Capital improvements (including street lights, street furniture and façade restorations).
- ✧ Signage and wayfinding.
- ✧ Advocacy on behalf of BID members.
- ✧ Design of BID capital improvements.
- ✧ Parking management and improvements.

PARTNERS AND STAKEHOLDERS

It takes careful coordination of commercial property owners and business stakeholders with local government to form a BID.

In most cases, the management of the BID is ultimately contracted to a nonprofit organization incorporated by property owners, business owners, or both.

To determine if a BID is an appropriate funding strategy for your community, an important first step is to educate community members, especially elected officials and business and commercial property owners, about BIDs, and then gauge their receptiveness. Having staff members or consultants who are experienced in BIDs is crucial to ensure successful education efforts.

Although business owners don't vote or pay assessments for a PBID, this constituency's support is essential for this type of BID to succeed. In many cases, the business owners (who rent space from the property owners) are the faces of a proposed PBID and their interests align with the district's mission.

However, merchants may become concerned that property owners will simply pass the PBID assessment costs down to them through increased rents. Early and effective outreach, education and communication are needed to address such concerns.

If successful, education and coordination efforts will generate a preliminary management plan that describes the BID's mission and objectives, proposed boundaries, services and programs, budget, assessment methodology and other crucial operational details.

PROJECT SCALE



RESOURCES



STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ BIDs provide a reliable source of revenue that can leverage other resources.
- ✧ It is governed by those paying into the BID.
- ✧ BIDs provide a flexible use of funds.
- ✧ BIDs provide enhanced services and improvements.
- ✧ Assessments are tied directly to the benefits received by each property or business (using a fair method of assessment).
- ✧ Term limits ensure continued support and effectiveness.
- ✧ Potential to increase property values, sales and occupancies, and attract new investment and businesses as a result of BID improvements and services.

LIMITATIONS

- ✧ Assessments must pass through the local government; however, no government oversight is required.
- ✧ Counterintuitive nature of the weighted protest vote: A BID is approved unless more than 50% of the total assessment for the proposed BID vote "no.".

The three-block “Retro Row” in Long Beach includes more than 40 retail stores and restaurants, and a restored 1920’s Art Deco theatre.



- ✱ For PBIDs, the property owners who vote for establishment may be perceived as passing assessment costs to the non-voting business owner through increased rents.
- ✱ A BID may take more than 12 months to form.
- ✱ Formation costs can be high without guarantee of approval.
- ✱ A BID may have difficulty raising adequate revenue in more economically distressed areas.

LEARN MORE

To learn more about California BID laws:

- ✱ Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600-36671).
- ✱ Parking and Business Improvement Area Law of 1989 (Streets and Highways Code §36500-36551).

CASE STUDIES

Long Beach’s Retro Row and the 4th Street BID

The 4th Street BID in Long Beach was established in 2007 to fund marketing and promotional programs. Assessments for FY 2015–16 are \$100 or \$200 per business, depending on the type of business. The BID’s FY 2015–16 budget is \$14,000.

The 4th Street BID (4thstreetlongbeach.com) encompasses “Retro Row,” a vibrant, three-block district between Cherry and Temple avenues filled with a variety of more than 40 independent merchants, locally owned restaurants, coffee shops and wine bars, and a restored 1920’s Art Deco theatre. Located near the beach, it is also a designated bike-friendly business district.

The BID has funded sidewalks sales, known as “Retro Rambles,” street cleanups, maintenance of the Garden Walk sprinkler system, website and social-media updates, a business-listing brochure and an outreach committee to actively recruit new businesses to 4th Street.

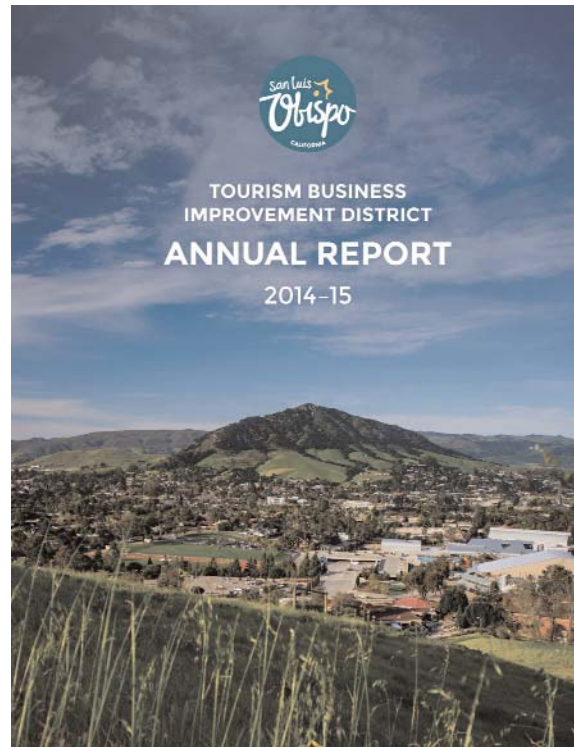
CASE STUDIES

San Luis Obispo Tourism BID

Established in 2008, the San Luis Obispo Tourism BID raises funds solely dedicated to tourism marketing and promotions that attract visitors to San Luis Obispo. Since San Luis Obispo is a charter city, there was no initial TBID term limit. The assessment rate is 2% of gross receipts, which applies to lodging properties only. In FY 2014-15, TBID revenue was \$1.26 million.

Composed of seven members from the lodging industry, the TBID board serves in an advisory role to the City Council about the use of TBID funds. The TBID board also collaborates with the City's Promotional Coordinating Committee, focusing on the special-events promotion program.

Increased tourism in San Luis Obispo can be partially attributed to the TBID's marketing efforts. Since its adoption, transient occupancy tax (TOT) revenues have steadily increased. Major growth in the San Luis Obispo tourism industry occurred in FY 2014-15 with a 12.3% increase in TOT, a 4.4% increase in annual occupancy, and a 12.8% jump in in-person guests to the downtown visitor center.



Mammoth Lakes Tourism BID

The Mammoth Lakes Tourism BID (mltbid.com) was developed in 2013 by Mammoth Lakes Tourism, a non-governmental organization, to help fund marketing and sales-promotion efforts for tourism-related businesses in Mammoth Lakes.

Since Mammoth Lakes is a general-law city, its TBID is valid for an initial five-year term, and will come up for renewal in 2018.

Among the district's assessed businesses are lodging, retail, restaurants and ski resorts, with the assessment rates depending on business type.

Retail and restaurant assessments are divided into three tiers based on gross revenue and percentage of sales to visitors. For example, retail and restaurant assessments range from \$50 per year to 1.5% of gross sales. Providing three assessment tiers was crucial to gain business support for the TBID.

TBID assessments have been collected since September 2013. While annual TBID revenue was estimated at approximately \$4.7 million, approximately \$3.8 million has been received annually as a result of the drought.

Spending of TBID revenues on marketing began in May 2014. Positive results have been seen with continued double-digit growth in historically lower-revenue months (such as June). FY 2014-15 included one of the worst winters on record for Mammoth Lakes, yet it was also one of the highest transient occupancy tax revenue years on record, according to John Urdi, Mammoth Lakes Tourism's executive director.

Many perceive the TBID as being important in maintaining the local economy during California's record drought.



TOOL 11

Crowdfunding

Crowdfunding is a means to collect monetary contributions from a large number of people or sources through an online platform to fund a project or venture.

Crowdfunding methods can be based on rewards, debt, donations or equity ownership:

- ✧ The rewards-based model offers a tangible or intangible reward for a contribution.
- ✧ The debt-based model provides unsecured loans that are later paid back with interest (peer-to-peer lending).
- ✧ The donation-based model simply allows for donations to fund a project or cause.
- ✧ The equity-based model allows investors to receive partial ownership in the business.

New Rules Affect Crowdfunding

In June 2015, new Securities and Exchange Commission rules related to equity crowdfunding went into effect. Known as Regulation A+, these rules loosened restrictions related to non-accredited investors buying securities (equity, debt, or convertible debt) from issuers online. Regulation A+ opens the door for the general public to more easily invest directly in their communities through purchase of muni-bonds or other securities. Issuers may raise up to \$50 million of capital under Regulation A+ from non-accredited investors. With the new rules, crowdfunding may be considered a viable option in funding large-scale public improvements.

Examples of civic-specific crowdfunding platforms include lobby and Citizeninvestor. A platform like Neighbor.ly facilitates individual investment in municipal bonds. Larger crowdfunding sites, such as Gofundme, Kickstarter and Indiegogo, also have “community” or “civic” categories for projects.

WHAT IT FUNDS

Civic crowdfunding is very flexible in the projects that can be funded. Such projects might include bike racks, community gardens, dog parks, playgrounds, renovation projects, neighborhood markets, cultural facilities, parks and recreation facilities, social services and conservation-easement purchases.

Gofundme has allowed more than \$1 billion to be raised from 16 million donors since it launched in 2010.

lobby has recorded donations totaling more than \$2 million – with approximately 600 civic projects successfully funded. The average fundraising goal for active project is about \$7,000, with an average donor living within two miles of their project. lobby also has an 87% funding success rate, which is much higher than non-civic crowdfunding projects.

While usually geared toward raising relatively small sums, crowdfunding platforms can help generate big bucks.

In 2014, the San Diego Opera, for example, generated more than \$2 million in crowdfunding contributions to save its company and launch its 2015–16 season. Nearly half of the donors had never given to the San Diego Opera before.

PROJECT SCALE



RESOURCES



* Unlimited, but has typically funded small projects.

PARTNERS AND STAKEHOLDERS

The lead for a crowdfunding effort could be an individual, a community-based organization, any nonprofit or a government entity. They would use an online platform to initiate a crowdfunding campaign.

STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ Crowdfunding provides access to a large number and wide range of potential donors.
- ✧ Contributions can range from very small to very large, which fosters broader participation.
- ✧ Crowdfunding is flexible in the types of projects that can be funded.
- ✧ Online platforms are easy to use.

- ✧ Awareness can be raised quickly through an online platform's social-media links.
- ✧ Crowdfunding can provide gap funding to allow partially funded projects to break ground or be completed.
- ✧ Funds can be used to leverage dollars for the project from other sources.
- ✧ Different platforms have unique offerings, so users have the ability to select a platform to match a project's characteristics.

LIMITATIONS

- ✧ Contributions are needed to support and fund a project.
- ✧ Campaigns can be time-consuming and labor-intensive for relatively small amounts of funding.
- ✧ Campaigns may not be as successful in areas where residents are less familiar with crowdfunding.
- ✧ Fees are often charged by online platforms for operations and/or processing.

LEARN MORE

For more information about how to create a successful crowdfunding campaign for your project:

- ✧ Citizinvestor, citizinvestor.com
- ✧ Gofundme, gofundme.com
- ✧ Kickstarter, kickstarter.com
- ✧ Ioby, ioby.org
- ✧ Neighbor.ly, neighborly.com



CASE STUDIES

Civic Crowdfunding for Michigan's "Public Spaces Community Places"

Civic crowdfunding campaigns are often small, focused on raising \$5,000 to \$30,000 for local projects like community gardens, public art and park improvements. Some have been successful at attracting additional dollars from public and private sources that see robust crowdfunding as evidence of community backing for a project.

In 2014, the Michigan Economic Development Corporation (MEDC) launched a crowdfunding and matching initiative called "Public Spaces Community Places." The program is a joint effort with the Michigan Municipal

League and Patronicity – a Michigan-based crowdfunding platform that MEDC helped incubate – to enable the public to participate in developing community projects through small investments.

Local communities and nonprofits apply to the program. Upon approval, Patronicity provides the online platform to support the crowdfunding campaign. If the campaign is successful, MEDC matches the funds raised and implementation can soon follow.

In Detroit, the Green Alley Project was selected as a "Public Spaces Community Places" pilot project. The nonprofit Midtown Detroit, Inc., raised more than \$50,000 through the crowdfunding site to renovate an alley with green-infrastructure upgrades and improved walkability for local residents and businesses.

MEDC will contribute a \$50,000 match. Shinola/Detroit LLC is supporting the project with \$100,000, and the Michigan Department of Transportation contributed \$10,000 through the crowdfunding site. Total funds raised for the project now exceed \$200,000.

For more about MEDC: michiganbusiness.org





CASE STUDIES

Gathering Funds for Car-free Sundays and Endangered Flora in San Mateo County

Long before it became fashionable to close a street for recreation, San Mateo County started Bicycle Sunday, which for nearly two decades has given more than 60,000 people annually a unique opportunity to enjoy a safe, scenic bike ride or quiet walk during the weekly closures of Cañada Road near Crystal Springs Reservoir between Filoli Gardens and Highway 92.

With the program threatened by tighter local park budgets, local supporters turned to Citizeninvestor. Their successful crowdfunding raised more than \$10,000 to fund three months of Bicycle Sundays, covering event-related supplies and the cost to set up and maintain a safe road closure and provide first responders for medical calls on Bicycle Sunday.



Crowdfunding can also save endangered plants. Elsewhere in the area, the San Mateo County Parks Foundation raised \$5,400 through its Citizeninvestor campaign to continue its restoration of the San Mateo thornmint population. Previous grants expired and securing funding for future years was underway, but a funding gap would have meant that the December 2013 seeding window would be lost.

The San Mateo thornmint (*Acanthomintha duttonii*) is a federal and state endangered annual mint now found only in Edgewood County Park and Natural Preserve in San Mateo County.

Begun in 2008, the San Mateo thornmint restoration project does more than just help one plant species survive. Because



loss of habitat at Edgewood is complicated by nitrogen deposition from car exhaust and by invasive non-native species, ongoing habitat restoration is required. Integrating the monitoring of the restoration techniques' effectiveness into the restoration activities provides important information on how to best use funding and volunteer efforts — not only for the thornmint in San Mateo County but for other park agencies looking to enhance their management and restoration practices.

“Herculean” Effort by Small-Town Crowd Will Recast Public Art

The small Bay Area city of Hercules wants to bring home its namesake, and is using crowdfunding to secure the \$10,800 it needs to get this “labor” done.



About 70 years ago, the town’s then-leading company, Hercules Power Works, commissioned renowned sculptor Paulanship to create two bronze statues of Hercules commemorating its role in WWII.

The original pieces are no longer available, but the City has a chance to acquire and restore a 30-inch cast of the sculpture, which will be incorporated into the planned Hercules Regional Intermodal Transportation Center at the original industrial site.

TOOL 12

Tactical Urbanism



Community-led demonstration projects enable residents and stakeholders to participate in relatively inexpensive temporary transformations to test and experience changes. Sometimes referred to as “tactical urbanism,” “placemaking” or simply “pilot projects,” there is a growing number of examples across the nation. Sample projects include:

- ✧ Converting street edges into enhanced bikeways.
- ✧ Turning on-street parking spaces into parklets.
- ✧ Adding chairs and other street furniture on sidewalks.
- ✧ Converting vacant lots into community gardens and play lots.
- ✧ Converting off-street parking areas into small plazas or food-vendor courtyards.
- ✧ Improving blank walls and empty spaces with public art and colorful murals.

Changes are often installed with local donated or recycled materials, supplies and volunteer labor. Ideas are tested with chalk, temporary paint, movable planters and homemade chairs and benches. The process builds connections, creates civic engagement, and empowers citizens. The physical projects create opportunities for people to meet their neighbors.

Temporary projects can have a significant impact and help both the community and local officials envision a new future for a place — and attract funding for permanent improvements.

City officials can use temporary permits and provide technical guidance to ensure adequate safety and operations, allowing community members to “break” rules to explore permanent regulatory changes. These grace periods help foster innovation by residents, while enabling officials to evaluate the success of practices before making higher-cost, more permanent changes.

WHAT IT FUNDS

Tactical-urbanist projects by nature are inexpensive and sometimes free, relying on volunteer labor and donated, recycled and crowdsourced materials.

For example, materials for a weeklong complete and green street transformation of Rockwell Avenue in downtown Cleveland in 2012 that included a cycle track, bus shelter, Bi-Fi benches (a combination of biofiltration and Wi-Fi), public art, wayfinding signage and other pop-up installations with promotion and entertainment cost about \$13,200.

Portable food cart trailers in a converted used-car parking lot in Portland cost \$20,000 a piece. In Long Beach, conversion

PROJECT SCALE



RESOURCES



of on-street parking spaces with 30x7-foot streetdeck created 22 new restaurant dining spaces at the cost of \$25,000 for design, construction and furniture.

Vacant warehouse shells and cargo containers can sometimes be adapted and reused as small vendor spaces at low cost. Donated, used wooden pallets can be reconstructed into sturdy benches.

PARTNERS AND STAKEHOLDERS

Typical partners include residents and volunteers, local community-based nonprofits, neighborhood groups and business associations, small business and private property owners, and city and county planning, public works and economic development agencies.



STRENGTHS AND LIMITATIONS

STRENGTHS

- ✧ Locally sourced solutions.
- ✧ Short-term, low-cost, flexible commitment.
- ✧ Development of social capital between residents.
- ✧ Organizational capacity building.
- ✧ Activates dead space to help spur new investment.

LIMITATIONS

- ✧ Projects are usually temporary.
- ✧ Projects can be chaotic to implement.
- ✧ Local agency permitting can be challenging.
- ✧ Small tactical projects not a substitute for large-scale capital investments.



LEARN MORE

For more steps on how to use tactical-urbanist practices in your community:

- ✧ Mike Lydon and Anthony Garcia, "Tactical Urbanism: Short-term Action for Long-term Change," March 2015, tacticalurbanismguide.com
- ✧ The Street Plans Collaborative's "Tactical Urbanism 2" provides an overview of tactical urbanism and examples of types of projects and places where they're being used: issuu.com/streetplanscollaborative/docs/tactical_urbanism_vol_2_final
- ✧ Cleveland Urban Design Collaborative (Kent State University): "Pop Up City" and "Temporary Use Handbook," cudc.kent.edu/pop_up_city
- ✧ Project for Public Spaces, pps.org/reference/lighter-quicker-cheaper
- ✧ For good tips and a handy blueprint for how to create a street-redesign pop-up in your town, check out the plans for Oakland's Telegraph Avenue project: docs.google.com/document/d/1mQE5RHAqsDScrlmSzhzKkKJkQNbtZI9_Ft1fgK85Ds8/edit



City of Baltimore

CASE STUDIES

Pop-Up Plans for Bikes: Embracing On-the-Street Demonstrations

A practice that began as guerrilla activism and was later embraced by professionals as “tactical urbanism” — using live on-street demos to test the effects of changes to city streets — hit a milestone this year. For what appears to be the first time, a live on-street demonstration of a protected bike lane has been funded by a state transportation agency.

In September 2015, the Maryland Department of Transportation included a \$10,850 grant as part of a \$15-million grant cycle, a sign that the on-street demo is becoming a common step in the process of planning street redesigns.

The stipend will cover the costs of a weeks-long test of planter-protected bike lanes on Baltimore’s Pratt Street (a one-way, three-lane street), running for five blocks between South Central Avenue and South Broadway (see photo above), past a grocery store, two schools and Perkins Homes, one of Baltimore’s largest low-income housing developments.



Bike East Bay

From a planning perspective, these pop-up demonstrations have the incalculable benefit of being very flexible.

“We’re not committing to have a complete buy-in to try something,” said Caitlin Doolin, a City of Baltimore ped-and-bike planner. “We can take it out if it doesn’t work or modify it.”

The other great thing about tactical-urbanism pop-ups is that they’re usually pretty inexpensive. Bike advocates in Minneapolis pulled a great one together for about \$600 in 2014. Organizers constructed 15 plywood planters to use during the city’s four summertime “Open Streets” events.

Their ulterior motive? They want Minneapolis to create 30 miles of new protected bike lanes by 2020, and the pop-up offers an imaginative and tangible way to persuade city officials and the community.

Minnesota’s bike-sharing network, Nice Ride, piggy-backed on their efforts by setting up a free kiosk nearby to demonstrate how to use their two-wheelers.



Great Streets Mountain View

In Oakland, Bike East Bay organized a one-block, protected bike-way pop-up on Telegraph Avenue in May 2014, using traffic chalk for the shark-tooth yield markings and a gallon of exterior green paint and a homemade bike stencil to mark the bike lane’s entrances.

Local agencies pitched in to help. The City of Oakland’s public works division set up traffic operations for a display sign, a-frames and cones, and the parks department supplied 10 stock tanks and plantings. AC Transit temporarily relocated a bus stop, and businesses were notified that some parking spaces would be unavailable during the demo. Bay Area Bikes even added to the festivities by providing free bike tune-ups for folks checking out the temporary installation.

Other Bay Area cities have followed suit. As part of Bike to Work Day in May 2015, for example, Berkeley (on Milvia Street near City Hall and the downtown) and Castro Valley (on Redwood Road) conducted similar protected bikeway demos.



CASE STUDIES

Repairing Intersections in Portland

In Portland, an initiative to beautify neighborhood intersections with murals and street paintings has inspired similar projects across North America, according to the Smithsonian.

City Repair (cityrepair.org), a Portland nonprofit, works with residents to convert street intersections into public squares. Intersections remain open to cars but are transformed so that drivers move slowly and expect pedestrians.

Examples of improvements include murals, painted streets, installation of kiosks and community bulletin boards, and reconstruction of intersections with special paving materials. A group of neighbors start the idea, get their community involved, create a design, and install changes.

City Repair helps community volunteers at no charge to navigate the process, work with their neighbors, connect with skilled professionals, and raise funds. Neighbors cover the cost



A painted street in Portland's Belmont neighborhood, along with a metal sidewalk sculpture that reiterates the design.

of project expenses, such as paint and materials. City Repair also helps the group meet City requirements.

Random Acts of DIY Results

There is no shortage of success stories to illustrate the potent connection between tactical urbanism and the ability to attract funding or get a good idea implemented permanently. The Smithsonian offers quick snapshots of other projects where do-it-yourselfers have taken their ideas to the streets, literally.

A graduate student walked around downtown Raleigh one night hanging homemade signs on light posts and telephone poles that had arrows pointing the way to popular downtown destinations, along with average walking times — an act he labeled “guerrilla wayfinding” to promote more walkable places.

A concerned resident painted a crosswalk on a busy street in Baltimore when City officials failed to do so. To make Toronto more wheelchair accessible, a group of volunteers installed colored ramps at more than 400 storefronts.

“PARK(ing) Day” is now held every September in hundreds of cities on six continents, with artists and citizens uniting to transform parking spots into mini-parks.

DIY fixes can lead to long-term, funded solutions.

The guerrilla way-finding signs eventually encouraged the City of Raleigh to adopt a new pedestrian plan, and install more official, permanent signs like the pop-up posters.

Baltimore officials heard about the pop-up pedestrian solution in their town, and responded by adding two stop signs and three official crosswalks in its place.

In Memphis, a temporary beer garden at an abandoned brewery was such a hit it attracted private investment — a developer is going to revitalize the historic site into vibrant mixed-use space.



New Directions, Emerging Strategies

This chapter provides a short overview of strategies that are either used in other states or emerging as potential funding opportunities for communities in California. They represent the kinds of fiscal and financial trends that local governments and community members should be on the lookout for when exploring funding for future projects in their jurisdictions and/or opportunities for new State legislation.

Land Value Tax

Land Value Tax (LVT) is a property tax that places higher rates on vacant land and lower rates (or no tax) on improvements. It encourages the development of vacant and underutilized properties because there is no tax disincentive when a property is improved. The result can be revenue neutral through the reallocation of the current tax burden from improvements to land.

A Land Value Tax can be an effective tool to achieve infill and transit-oriented development.

Land Value Tax structures have been used in Pennsylvania, and Connecticut has initiated an LVT pilot program.

Since Proposition 13 requires California properties to be assessed based on cost at the time of property acquisition, legislative amendments or voter approval would be required to enable Land Value Taxes in California.

Partnerships through Tax-Sharing and Revenue-Sharing Agreements

Public-private partnerships are a valuable tool to creatively address opportunities lost with the dissolution of redevelopment. Partnerships through tax-sharing or revenue-sharing agreements can incentivize smart-growth developments and fund community projects.

Tax-sharing agreements allow tax revenues generated from new projects to be pledged, in whole or in part, to facilitate the financing of common infrastructure, economic development and sustainability projects.

Tax-sharing agreements should ensure municipalities retain fiscal resiliency and be viewed as creating a separate and dedicated funding stream for certain projects, perhaps reducing the burden on capital-improvement programs and developers.

Revenue-sharing agreements allow project revenues to be shared between the project and a government entity. These agreements can vary in structure and terms. For example, in San Luis Obispo County, the State of California provided \$400,000 for the Port San Luis Harbor Terrace project's pre-development costs contingent upon a revenue-sharing agreement with the Port San Luis Harbor District that allows the State to recoup its funds.

Both types of agreements could be negotiated on a case-by-case basis, or a standardized agreement could be created. These agreements could also target infill and transit-oriented development.

Insurance Premium Tax

Kentucky allows the imposition of a tax on certain premiums received by insurance companies to raise government revenues. Cities within Kentucky have established different levels of this tax (e.g., 2% to 15%) with some also including a minimum flat-tax amount (e.g., \$5 to \$25). Cities can restrict some or all of these tax revenues to dedicated purposes, such as affordable housing or infrastructure. Enabling legislation would be required to institute such a tax in California.

Other funding mechanisms will be available in the future; however, it is up to local governments, community organizations and stakeholders to work with available resources, like the Local Government Commission, and representatives to support legislation for new tools and strategies.

More Resources about Funding Strategies

California Association for Local Economic Development

- caled.org

The California Association for Local Economic Development (CALED) is a statewide professional economic development organization for delivering economic development services to their members' communities and business clients. CALED's members are public and private organizations and individuals involved in economic development — the business of creating and retaining jobs.

CALED supports its members through information, technical assistance, training, education, and research. Begun in 1980, CALED has grown to over 800 members, representing cities, counties, state and federal agencies, economic development corporations, and the private sector. Through its programs and management of the California Academy for Economic Development, CALED provides professional training to economic development professionals. Supportive research includes data development and analysis, modeling, and policy analysis. Specific projects focus on sustainable development, regional competition, financing and technological support for economic development.

CALED also sponsored the creation of the California Enterprise Development Authority to provide low-cost financing alternatives to California nonprofits and manufacturers.

Council of Economic Development Finance Agencies

- cdfa.net

The Council of Development Finance Agencies (CDFA) is comprised of the nation's leading and most knowledgeable members of the development finance community representing

400+ public, private and nonprofit development entities. Its members are state, county and municipal development finance agencies and authorities that provide or support economic-development financing, including tax-exempt and taxable bonds, credit enhancement programs, and direct debt and equity investments as well as a variety of non-governmental and private organizations ranging from regional and large investment banks to commercial finance companies to bond counsel, bond insurers, trustees, venture capital companies, rating agencies and other organizations interested in development finance.

California Infrastructure and Economic Development Bank (iBank)

- ibank.ca.gov

Created in 1994, the California Infrastructure and Economic Development Bank (iBank) finances public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. iBank is located within the Governor's Office of Business and Economic Development.

iBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage state and federal funds. Its programs include the Infrastructure State Revolving Fund Loan Program, Statewide Energy Efficiency Program (SWEEP), 501(c)(3) Revenue Bond Program, Industrial Development Revenue Bond Program, Exempt Facility Revenue Bond Program, Governmental Bond Program and the Small Business Loan Guarantee Program.

Federal Reserve Bank of San Francisco

- Community Development: frbsf.org/community-development

San Francisco is the headquarters of the 12th Federal Reserve District, the largest of the districts by geography and the size of its regional economy. The SF Fed's community-development team works with a wide range of organizations to create economic opportunity for lower-income Americans, providing expertise on community-development finance, small-business development, data analysis, neighborhood revitalization and Community Reinvestment Act application.

- A related and helpful website is FedCommunities.org

FedCommunities.org is a portal to community-development resources from the entire Federal Reserve system. Users can access hundreds of Fed materials that address barriers to economic growth and promote fair and informed access to financial markets.

U.S. Housing and Urban Development

Community Development Block Grant (CDBG) program

- portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

The Community Development Block Grant (CDBG) program provides communities with resources to address a wide range of unique community-development needs. Beginning in 1974, CDBG is one of the longest continuously run programs at HUD. CDBG provides annual grants on a formula basis to 1,209 general units of state and local governments. The program helps develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income people.

Grants are provided to ensure affordable housing, provide services to lower-income populations, and create jobs through business expansion and retention.

Community Development Block Program – California

- hcd.ca.gov/financial-assistance/community-development-block-grant-program

Run by the California Department of Housing and Community Development, the state CDBG program partners with rural cities and counties to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities. Cities and counties with large populations receive federal CDBG funds on a formula basis. Counties with fewer than 200,000 residents in unincorporated areas and cities with fewer than 50,000 residents that do not participate in the federal CDBG entitlement program are eligible to apply for funding at the state level through the state CDBG program.

California Financial Opportunities Roundtable “Access to Capital” (August 2012)

- rd.usda.gov/files/CA-CalFOR.pdf

The California Financial Opportunities Roundtable was organized to identify roadblocks and develop recommendations for leveraging existing resources and expanding opportunities for sustainable economic development, job growth and wealth creation. The result of those deliberations is the “Access to Capital” guidebook. Solutions range from micro-financing to new bonding authorities as well as innovations within traditional investment classes (such as debt, equity and venture capital), including crowdfunding, mission-related investments, local investment clubs, public-benefit corporations and other forms of “impact investing.”

USDA Rural Development (RD)

- rd.usda.gov/ca

USDA Rural Development offers loans, grants and loan guarantees to support essential services such as housing, economic development, health care, first-responder services and equipment, and water, electric and communications infrastructure to improve the economy and quality of life in rural America.

RD promotes economic development by supporting loans to businesses through banks, credit unions and community-managed lending pools. RD offers technical assistance and information to help agricultural producers and cooperatives get started and improve the effectiveness of their operations.

RD also provides technical assistance to help communities undertake community empowerment programs. It helps rural residents buy or rent safe, affordable housing and make health- and safety repairs to their homes.

With a \$213-billion portfolio of loans, RD will administer \$38 billion in loans, loan guarantees and grants in the current fiscal year.

Rural Community Assistance Corporation (RCAC)

- rcac.org

RCAC provides training, technical and financial resources in areas such as affordable housing, water and wastewater treatment systems, development of community facilities, local entrepreneurial and small-business development, and support to Native communities to help rural communities achieve their goals.

Partnership for Sustainable Communities “Federal Resources for Sustainable Rural Communities,” (2012)

- sustainablecommunities.gov/partnership-resources/federal-resources-sustainable-rural-communities-guide

This guide to HUD, DOT, EPA and USDA programs highlights federal resources that rural communities can use to promote economic competitiveness, protect healthy environments, and enhance quality of life. It provides key information on funding and technical assistance opportunities available from the four agencies, as well as examples of how rural communities across the country have put these programs into action.

Each agency offers different ways of approaching infrastructure planning and construction, economic development, pollution cleanup and other issues that are part of achieving sustainable communities. Coordinating and leveraging multiple funding and assistance sources can help communities advance their overall visions and goals.

The guide – organized by agency and then by broad topic areas that are similar across agencies – provides a menu of options that rural communities and small towns can consider when planning and implementing projects.

Community-Wealth.org

- community-wealth.org

This site serves as a central clearinghouse for key research and reports, cutting across traditional community development silos and offering a comprehensive guide to local wealth-building strategies.

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