

# THRIVING



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## New Infrastructure Financing Tools for California:

### Enhanced Infrastructure Financing Districts

Sol Price Center for Social Innovation  
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## California Economic Summit

**The Summit is:** A partnership between California Forward and the California Stewardship Network. 2015 Summit was held in Ontario November 15-16, 2015.

[www.caeconomy.org](http://www.caeconomy.org)

Meeting the “One Million Challenge”

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

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

## **New Model for local and multijurisdictional infrastructure investment in California.**

**Does not use the redevelopment model – resources from other agencies are available only upon agreement generally where they see a benefit.**

**Authorizes the creation of a Public Finance Authority with broad authority to address infrastructure needs and housing.**

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

## Why General Plan and Urban Development Policy Matters to Infrastructure

**EIFD process relies on a growing local economy.**

**General plans and specific area plans will need sufficient detail to understand the economic/fiscal impact of the community.**

**Form-based zoning is a useful tool.**

**Understanding the property tax roll – Private property improvement matters.**

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

- **Wide range of Range of Community Investments**
  - **Public capital facilities and economic development investments**
  - **Affordable Housing**
  - **Resource management (IRWM plan implementation)**
  - **Transportation facilities**
  - **Community parks**
  - **Brownfield restoration**
  - **Projects that implement a Sustainable Community Strategy (SB 375), and Transit Priority Projects.**

## Tax-increment financing from a wide range of revenue sources

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

## EIFD Property Tax Increment Explained

- 1. Property tax increment from the city's share of allocated property tax.**
  - The “AB8” share that arises within the boundaries of the District, net of redevelopment.
  - City AB8 shares range from 3% to 28%.
- 2. Property tax from the VLF reduction backfill.**
  - Allocation is based on the amount of the loss attributable to the 2004 VLF rate reduction and grows annually by gross assessed value of the city.

## The VLF rate reduction has been converted to property tax

- Allocation is based on the amount of the loss attributable to the 2004 VLF rate reduction and grows annually by gross assessed value of the city.
- Any portion of citywide growth in the property tax from the VLF back fill may be contributed to the Infrastructure Financing Plan.
- These funds are available the development of the of the front end work of the EIFD.

# Find out more

2016 California Economic Summit  
Late 2016

San Francisco Bay Area  
(Likely East Bay)

[www.caeconomy.org](http://www.caeconomy.org)

California Forward

[www.cafwd.org](http://www.cafwd.org)

California Stewardship Network

[www.castewardship.org](http://www.castewardship.org)