

Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: March 1, 2019

FR: Deputy Executive Director, Policy

RE: SB 128 (Beall): Enhanced Infrastructure Financing Districts

Background

Senate Bill 128 would eliminate the current requirement for an enhanced infrastructure financing district (EIFD) to obtain voter approval prior to issuing bonds backed by future property tax growth, i.e. tax-increment financing. This idea was also proposed by Governor Newsom as part of his FY 2020-21 State Budget and has since been introduced as a budget trailer bill.

Recommendation: Support

Discussion

After the dissolution of redevelopment agencies in 2011, the Legislature worked on the creation of several new tools to help cities and counties finance infrastructure improvements, including SB 628 (Beall, 2014), which authorized the legislative body of a city or county to establish an EIFD to capture property tax increment, adopt an infrastructure financing plan, and issue bonds upon approval by 55% of the voters, in order to finance public capital facilities or other specified projects of communitywide significance, including, but not limited to, brownfield restoration and other environmental mitigation, the development of projects on a former military base, transit priority projects, and projects to implement a sustainable communities strategy. Only a handful of cities have formed EIFDs to date—West Sacramento, La Verne, and San Diego.

EIFDs can fund a wide range of projects, including, but not limited to, transportation improvements, including roadway and transit projects, affordable housing projects, libraries, parks, recreational facilities, flood control, water treatment, sewage, and any project that implements a sustainable communities strategy (i.e. Plan Bay Area 2040, in our case). Because this bill would make it easier for local agencies to access long-term financing for a wide array of community priorities, staff recommends a support position on the bill.

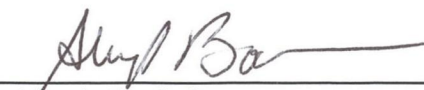
Known Positions

Support:

American Planning Association, CA Chapter
California Association for Local Economic Development (CALED) - *SPONSOR*
California State Association of Counties (CSAC)
City of Indio
City of West Sacramento
Greater Sacramento Economic Council

Oppose:

None on file


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AAB:rl

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