

THRIVING



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New Infrastructure Financing Tools for California:

Opportunities to Finance Integrated Regional
Water Management systems.

May 21, 2015

California Economic Summit

www.caeconomy.org

Shared Agenda for Prosperity

What is the Summit:

A partnership between California Forward and the California Stewardship Network.

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.



Infrastructure Action Team

Facing the problem:

Aging infrastructure systems

Declining state funding

20th century governance model based on political boundaries

Developing a solution:

A Summit team of public and private civic leaders had two objectives

1. **Create a new governance model** that can apply to a physical geography (watershed) as opposed to a political geography.
2. **Match financing tools with problems** infrastructure is designed to fix.

New model for local, regional infrastructure investment

Authorizes the creation of a Public Finance Authority (PFA) with comprehensive authority to address local/regional needs

- Projects developed through Integrated Regional Water Management Plans
- Economic Development including industrial, commercial, housing
- Environmental clean-up

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

- The size of the district can match the geography and the agencies that manage the resource
- Governing board includes participating agencies and public members

Creates way to bring together range of organizations needed to address goals

- City or County initiates but all taxing entities are eligible to participate
- Partnerships with private and non-profits can developed with streamlined procurement procedures

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. **Property tax revenue** distributed to a city, county or special district **after payment of a redevelopment agency's** debts by the successor entity.
4. **Fees or assessment revenues** derived from one of 10 specified existing sources, including assessments for benefits and developer fees.
5. **Loans** from a city, county or special district.
6. **User Fees and Public-Private Partnerships** derived from the use of the Infrastructure Finance Act.
7. **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.

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2015 California Economic Summit

November 12-13

Ontario, CA

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California Forward

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California Stewardship Network

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