

SANBAG

General Assembly

NONTRADITIONAL USES OF TRADITIONAL FINANCING VEHICLES

Limited Financing Options for Local Agencies

1

□ **General Obligation Bonds**

- 2/3rds vote with cost burden allocated by assessed value
- Traditionally used to acquire or construct politically palatable facilities such as libraries, and police/fire stations
- Non-traditional twist: use for road improvements
 - no maintenance; but can use for major street replacement measures
 - Example: San Francisco

□ **Parcel Tax / CFD**

- 2/3rds vote with cost burden shared more equally among parcels
- Ability to tailor cost allocation and district boundaries
- Example: Town of Portola Valley / Road Improvements – only non-school parcel tax to pass in June 2012

Limited Financing Options for Local Agencies

2

□ **Mello-Roos (CFD) Financing**

- 2/3rds approval by acreage if fewer than 12 registered voters
- 2/3rds approval by electors if 12 or more registered voters
- Can fund any public capital facility with useful life \geq 5 years
- Either public agency or developer can construct improvements
- Non-traditional twist: infill development and interchanges

□ **Infrastructure Financing Districts**

- “Redevelopment Light” (No Schools)
 - Most cities receive 10-20% of 1% property tax
- Same approval as Mello-Roos
- Only funds “additional facilities” of “community wide significance”
- 30-year time limit from ordinance forming IFD
- Non-traditional twist: combine with Mello-Roos district

Limited Financing Options for Local Agencies

3

□ **General Appropriations Lease**

- No voter approval; Quick implementation
- Must pledge public asset –usually city hall, library or police/fire station– as subject for the lease
- Non-Traditional twists
 - Parking Structure in business district/commercial zone: City of Riverside's Galleria at Tyler
 - Design-Build projects: City of Vista Civic Center

□ **Marks-Roos Local Bond Pooling**

- Allows for pooling of separated revenue sources to fund infrastructure
- JPA sells bonds secured by multiple underlying bonds/loans