

City of Lathrop

Public Hearing to Amend and Restate the City of Lathrop's Participation in the Statewide Community Infrastructure Program

FEBRUARY 12, 2024

ITEM #5.3





Summary

- ❑ The California Statewide Community Development authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties.
- ❑ Currently, 530 cities, counties and special districts throughout the state are members of CSCDA, including the City of Lathrop.
- ❑ In 2002, CSCDA instituted a Statewide Community Infrastructure Program (SCIP) to allow property owners in participating cities and counties to finance development impact fees through pooled special assessment district programs.

Summary Continued...

- ❑ The City joined SCIP in 2012, and participated in the SCIP 2018B bond series for a project on Murphy Parkway, funding approximately \$1.7 million in fees.
- ❑ Since the City joined, SCIP has expanded to include financing of capital improvements and community facility districts (CFDs).
- ❑ In order for the City's developers to take advantage of the expanded financing, the City Council will need to amend and restate the City's current participation resolution (Resolution No. 12-3313).

Property Owner SCIP Benefits

- ❑ Instead of paying cash for public capital improvements, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- ❑ For home buyers, cost of public infrastructure is paid for through an assessment or special tax, instead of rolling into the cost of the home. Although the tax bill is higher, the amount of the mortgages is smaller, making it easier to qualify.
- ❑ Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before SCIP, only projects large enough to justify the formation of an assessment district or CFD had access to tax-exempt financing. SCIP can finance projects as low as \$500k, which would not be economical on a standalone basis.

City SCIP Benefits

- ❑ The City is not liable to repay the bonds issued by CSCDA.
- ❑ CSCDA handles all district formation, district administration, bond issuance and bond administration.
- ❑ The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving participating city, county or special districts immediate access to revenues for public infrastructure.
- ❑ Many developers rely on assessment district or CFD financing through SCIP in making the decision to purchase land, thereby improving a City's competitive advantage in attracting new development.

Recommendation

- Hold a Public Hearing; and
- Adopt Resolution Amending and Restating the City of Lathrop's Participation in the Statewide Community Program (SCIP)