Many “Emerging” Tools

- Federal
  - New Market Tax Credits
  - EB 5
- State
  - Go Biz
  - Cal IEDB
  - Cap and Trade (Sus. Community Strategy)
  - EIFD/ NIFTI, CRIA and AHA
Enhanced Infrastructure Financing District

- Amended Section Gov’t Code 53398.50 et seq.:
  - Non-school Tax Increment
  - Broad range of infrastructure (15 year life)
  - 55% vote for bonded debt

- AB 1568 (2017), Neighborhood Infill Finance and Transit Improvements Act (NIFTI)
  - Adopt before IFP by Resolution
  - Allocate 20% of funds for Housing

Community Revitalization and Investment Authority

- AB 2 (2015) and AB 2024 (2016)*
- Added New Section Gov’t Code 62000:
  - All RDA powers (non-school TI, Eminent Domain, Polanco)
  - Limited – Need low-income, plus 3 of 4:
    (1) crime 5% higher than statewide average
    (2) unemployment 3% higher than avg.;
    (3) deteriorated infrastructure; or
    (4) deteriorated commercial/ residential
Affordable Housing Authority

• AB 1598 (2017)/ AB 2035 (?)
• Added New Section Gov’t Code 62250:
  • Create new authority by Resolution
  • Coterminal with boundaries
  • Use Tax Increment and Sales Tax to Support Affordable Housing (up to 120% of median)
• 2018 Amendments to include authority to use for Homeless (Shelter, Supportive and Transitional Housing)

A Year of Housing Legislation…

• Funding:
  • SB 2- Building Homes and Jobs Act
  • SB 3- Veterans and Affordable Housing Bond ($4B Bond- Nov. 2018)

• Streamlining Approvals:
  • SB 35- Streamlining multifamily projects
  • SB 540- Workforce Housing Opportunity Zones
  • AB 73- Housing Sustainability Districts

• Accountability:
  • Housing Accountability Act
  • Housing Element- AB 72, AB 1397, AB 879
AB 562 (2013)- Subsidy Report

- **Added New Section Gov’t Code 53083:**
  - Cities and Counties Provide Report and Hearing
  - For “Econ. Dev. Subsidies” of $100,000
  - Report Contents to Include:
    - Description of the subsidy public purpose of the subsidy
    - Estimated number of jobs created
    - Projected tax revenue
Legal Issues in California

• Legal Authority
• CEQA
• Procurement Issues
• Prevailing Wage
• AB 562

Other Limitations…

• Limitations:
  • Prohibit Relocating Big Box/ Auto
  • Prohibition on Sales Tax Sharing Agreements for Relocation and Retailers in other jurisdictions
  • Multi-Year Debt Limit
  • Prohibition on Gift of Public Funds
Big Ideas on Econ Dev....

- Clearly Stated Vision for Community
- Political and Staff Consistency
- Adopted Polices and Goals
- Positive Community Engagement
- Identification of Local Incentives
- Awareness of Regional and State Incentives
- City Staff as “Facilitator”

Four Keys to Success for All Public Private Partnerships:

- Understanding the 4P’s Before the P3
- Understand the Needs of the Parties
- Understand the Negotiation “Life-Cycle”
- Components of the P3 Deal
Key to Success #1:
Understanding the 4P’s Before the P3:

- Problem?
- Project?
- Priorities?
- Politics?

- Needs of the Community?
- Solution to the Problem?
- Clear Vision and Goals?
- What's the Political Environment?

PROBLEM IDENTIFICATION
Key to Success #2: Understand the needs of the Parties

- Public Agency Elected Officials
- Public Agency Staff / Legal Counsel
- Investor / Lender
- Members of the Public
- Interest Groups
- Regulators (State and Federal)
Key to Success #3: Know the Negotiation “Life-Cycle”

• Problem Identification
• Analyze Options
• Due Diligence (Risks/Rewards)
• Risk Mitigation/Allocation
• Business Plan
• Transactional Documents
• Implementation Issues
• Expect Changes

Key to Success #4: Components of the P3 Deal:

• Statutory Authority
• Stakeholder Support
• Clarity on Env’tl / Regulatory Processes
• Identified Revenue Stream
• Detailed Business Plan
• Partner Selection
• Renew the Partnership
  • Contract with Negotiated and Escalating Remedies
  • Regular Contact between Parties