

# Mossdale Tract Basin: Funding Overview

San Joaquin Area Flood Control Agency

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# Background

- Adequate Progress Findings adopted by Cities of Lathrop & Manteca (July 2016) drive need for Financing Plan
- Adequate Progress Findings include;
  - Development of *scope, schedule & cost* of flood protection system
  - Identified revenues sufficient to fund each year of the project schedule (i.e. **Financing Plan**)

# Funding Approach

## Current Funding for Efforts to Date

- City Contributions / Developer Advance Funding
  - Developer funding provided with understanding that it be creditable toward future fees;
  - City funding provided with expectation of reimbursement from future fees and/or assessments
  - *Raised more than \$3.25 Million to date*
- Interim Development Fee Programs adopted by the Cities of Lathrop & Manteca

# Funding Approach

## Multiple Funding Mechanisms to Achieve Implementation

- Regional Development Impact Fee Program
  - A one time fee charged on an acreage or unit basis prior to the issuance of a building permit
- Overlay Assessment District
  - An annual assessment (direct charge) levied on property tax bills
  - Considered an “overlay” since it would be on top of the existing RD 17 Assessment funding Phase 3 work
- Enhanced Infrastructure Financing District (EIFD)
  - A district that would receive a portion of incremental additional property taxes generated from the growth in Assessed Value within the district over time (similar to a Redevelopment Agency)

# Regional Development Impact Fee Program

- New Impact Fee funding 200-Year Levee Improvements
- SJAFCA has authority to collect based on member common authority under AB 1600 (Mitigation Fee Act)
- SJAFCA prepares & adopts a Nexus Study
- SJAFCA enters into fee collection agreements with Land Use Agency's in area of fee program

# Regional Development Fee Program

- Would start with Interim Fee Studies adopted by Lathrop & Manteca – with updates based on recent financing plan work
- Prior Funding from developers would be creditable toward project's obligation under SJAFCA's Fee Program
- The details of a Fee Crediting Program would subject to future policy direction from the SJAFCA Board

## Overlay Assessment

- Would cover area benefitting from 200-Year Levee Improvements
- SJAFCA would prepare an Engineer's Report and administer the Proposition 218 process
- Benefit apportionment *could* be similar to current RD 17 Mossdale Tract Methodology, however, the benefit to undeveloped property in the context of SB 5 is a differentiator that needs to be addressed
- Overall assessment rates (total assessment) would be structured around the overall financing plan

## Enhance Infrastructure Financing District

- EIFD is a very complex mechanism (could be the first multi-jurisdictional EIFD in the State)
- Allows for redirection of Tax Increment to new legal entity (an EIFD / Public Financing Authority) (*excludes School share of taxes*)
- Governed by an Authority made up of elected officials from tax entities and the public
- Need an IFD Plan approved by all participating entities (specifies everything – facilities, tax increment contributions, other revenue sources, timeframe, etc.)
- Registered voter vote required to Issue Debt (55% approval required)

## Short Term Funding Goals

- Seamlessly continue work underway by Lathrop & Manteca
- Assign revenue sources for work to SJAFCA
- Transition contracts for work to SJAFCA

## Short Term Funding Need

- Near Term SJAFCA Tasks (Remainder of FY 17/18)
  - UFRR Feasibility Study
    - Transition/Assignment of Funding Agreement and contract with PBI
  - Local Funding Program
    - Transition Interim Fee programs from Local Agencies to SJAFCA
    - Develop advanced funding and crediting policies
    - Prepare and issue Request For Proposal for Assessment District support services
    - Prepare Annual ULOP Adequate Progress Report

## Short Term Need & Funding Approach

- Proposed Budgeted Expenditures for Addendum

Summary of Costs	FY 17/18 Budget
UFRR Feasibility Study	\$523,956
Program Management	\$216,425
Local Funding Implementation	\$160,522
<b>TOTAL EXPENDITURES</b>	<b>\$900,903</b>

- Near Term Revenues for Addendum
  - UFRR Funding Agreement - \$523,956
    - Remainder of DWR Feasibility Study grant
  - Local Funding Program - \$376,947 (balance of work)
    - Individual Member Agency Loans between SJAFCA and Cities of Lathrop, Manteca & Stockton and San Joaquin County
    - Draft Term Sheet related to member agency funding has been prepared by Staff from each agency

## Short Term Local Funding

- Member Agency Loans
  - Each Agency would fund one-quarter of the near term need less any fees collected by Lathrop & Manteca (Interim Fee Program)
  - Loan repaid in the future from the established local funding mechanisms after project funding is secured
    - Repayment terms to be incorporated by amendment in the future. If no local funding mechanism is established, loans would be forgiven
  - SJAFCA acknowledgement of prior and potential future funding from development as advance funded Impact Fees. SJAFCA agrees to develop and administer a fee crediting policy in coordination with the Cities and County

# Workshop Discussion

## Next Steps / Action Items

- Budget Addendum
- Funding Agreements / Loan with Members
- Contract Actions
  - UFRR Feasibility Study
    - Assignment of Funding Agreement
    - Contract with PBI for UFRR Feasibility Study Scope of Work
  - Local Funding Program
    - Contract with LWA for Local Funding Implementation – Regional Development Impact Fee, Assessment District RFP Assistance, Annual ULOP Adequate Progress Report
- Mossdale Tract Ad-Hoc Committee