

**EL DORADO COUNTY BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL  
Meeting of October 31, 2006**

**AGENDA TITLE: Consideration of Participation in Statewide Community Infrastructure Program (SCIP)**

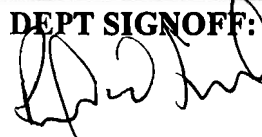
**DEPARTMENT:** Transportation

**DEPT SIGNOFF:**

**CAO USE ONLY:**

**CONTACT:** Diana Buckley

**DATE:** October 12, 2006 **PHONE:** X 5972



D  
*[Signature]* 10/17/06

**DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:**

The El Dorado County Department of Transportation recommends the Board of Supervisors: approve in concept participation in the Statewide Community Infrastructure Program (SCIP) to give property owners an option to finance Traffic Impact Mitigation (TIM) fees.

**CAO RECOMMENDATIONS:**

*Recommend approval. Laurie A. Hill  
10/23/06*

Financial impact? ( ) Yes (X) No

Funding Source: ( ) Gen Fund ( ) Other

**BUDGET SUMMARY:**

Other:

Total Est. Cost \_\_\_\_\_

**CAO Office Use Only:**

**Funding**

4/5's Vote Required ( ) Yes (X) No

Budgeted \_\_\_\_\_

Change in Policy ( ) Yes ( ) No

New Funding \_\_\_\_\_

New Personnel ( ) Yes (X) No

Savings \_\_\_\_\_

**CONCURRENCES:**

Other \_\_\_\_\_

Risk Management \_\_\_\_\_

Total Funding \_\_\_\_\_

County Counsel \_\_\_\_\_

Change in Net County Cost \_\_\_\_\_

Other \_\_\_\_\_

**\*Explain**

**BOARD ACTIONS:**

Vote: Unanimous \_\_\_\_\_ Or

**I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors**

Ayes:

Date: \_\_\_\_\_

Noes:

Attest: Cindy Keck, Board of Supervisors Clerk

Abstentions:

Absent:

By: \_\_\_\_\_

# COUNTY OF EL DORADO

# DEPARTMENT OF TRANSPORTATION



**MAINTENANCE DIVISION:**

2441 Headington Road  
Placerville CA 95667  
Phone: (530) 642-4909  
Fax: (530) 642-9238

**RICHARD W. SHEPARD, P.E.**  
Director of Transportation

**Internet Web Site:**  
<http://co.el-dorado.ca.us/dot>

**MAIN OFFICE:**

2850 Fairlane Court  
Placerville CA 95667  
Phone: (530) 621-5900  
Fax: (530) 626-0387



October 17, 2006

Board of Supervisors  
330 Fair Lane  
Placerville, CA 95667

Dear Members of the Board:

**Subject: Consideration of Participation in Statewide Community Infrastructure Program (SCIP)**

**Date: October 31, 2006/District: All**

**Recommendation:**

The Department of Transportation is recommending the Board of Supervisors approve in concept participation in the Statewide Community Infrastructure Program (SCIP) to give property owners an option to finance Traffic Impact Mitigation (TIM) fees.

**Reasons for Recommendation:**

California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 230 cities and 54 counties throughout California, including El Dorado County.

SCIP was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. If a property owner chooses to participate, the development impact fees owed to the County will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner's property to repay the bonds issued to finance fees.

Participation in SCIP is being recommended specifically to provide a financing option for TIM fees, however, any County fees collected now or in the future for the purpose of building public infrastructure are eligible for SCIP financing. Additionally, fees levied within the County by another government entity may be financed through SCIP provided that entity enters into a "Fee Accounting Agreement" with CSCDA.

Within SCIP, there are two programs which can be mixed and matched, or used individually:

- the *Impact Fee Reimbursement Program* where the impact fee is paid at the time of building permit issuance (or occupancy for commercial projects) and reimbursed from the SCIP bond proceeds when bonds are issued

and/or

- the *Impact Fee Prefunding Program* where fees are prepaid to the County from the proceeds of the SCIP bonds

Under both programs, our County would not be at risk for the receipt of the impact fees.

Through the *Impact Fee Prefunding Program*, large blocks of development impact fees can be financed and paid up front, prior to the issuance of building permits, and in dollar amounts large enough to provide funding for necessary infrastructure before development takes place. El Dorado County has accepted prefunding of fees in the past, with the authorization being incorporated into subdivision map conditions and where prepayment was made through Mello Roos Bond proceeds issued by our County. This program would be similar except the bonds would be issued by CSCDA. Through participation in SCIP, owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure where currently only projects large enough to justify the formation of an assessment or communities facilities district have access to this tax-exempt financing.

While there is no minimum development size required for participation in SCIP, as a practical matter, each property owner would need to compare the advantages of a favorable interest rate to the cost of application fee (currently \$1,500) and time to make the application.

In summary, the benefits to the property owner include:

1. Only property owners who choose to participate in the program will have assessments imposed on their property.
2. Instead of paying cash for development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
3. The property owner can choose to pay off the special assessments at any time.
4. For home buyers, paying for the costs of public infrastructure through a special assessment is superior to having those costs "rolled" into the cost of the home. Although the tax bill is higher, the amount of the mortgage is smaller, making it easier to qualify. Moreover, because the special assessment financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.

5. Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure.

The benefits to the County include:

1. In contrast to conventional assessment financing, the County is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
2. CSCDA handles all district formation, district administration, bond issuance and bond administration functions.
3. A participating county can provide tax-exempt financing to property owners through SCIP with minimal staff time to administer the program.
4. Providing tax-exempt financing would help cushion the impact of rising development impact fees for property owners.
5. The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving our County immediate access to revenues for public infrastructure, rather than receiving revenues stretched out over time.
6. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
7. In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating county for use on public infrastructure, subject to applicable federal tax limitations.

The SCIP Manual of Procedures provides all of the details related to the program and is available on the web page for the California Statewide Communities Development Authority: [cscda.cacommunities.org/apps/scip](http://cscda.cacommunities.org/apps/scip). A couple of key points from the manual warrant highlighting here:

The SCIP requires that all fees paid either through reimbursement or prefunding be held by the SCIP trustee in an interest bearing account for each city or county. The SCIP administrator is therefore responsible for arbitrage calculations. Funds will be paid to the County upon written request and in conjunction with incurred capital costs. Funds must be expended within three years of the bond issuance.

The prefunding alternative would require changes to the provisions of our TIM fee resolutions to provide for pre-payment. It is recommended that where fees are prefunded the payments be considered a credit toward the fee in place at the time the building permit is issued. In other words, the fee is not locked in by the prepayment.

To participate in SCIP your Board must approve a resolution (see attached) that authorizes CSCDA to form an assessment district covering our planning jurisdiction, conduct assessment proceedings and levy assessments against the property of participating owners. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

**Fiscal Impact:**

Staff time associated with the coordination of this program is estimated to be minimal and less than the time requirements of a County bond issue.

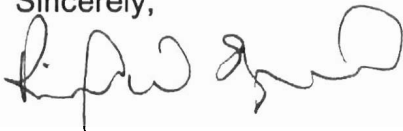
**Net County Cost:**

There is no net County cost.

**Action to be Taken Following Approval**

- 1) Staff will request a date for a public hearing where your Board will consider the adoption of the implementing SCIP resolution.
- 2) If the SCIP program is adopted at the close of the public hearing:
  - a. the Board would approve amended TIM fee resolutions to include provisions for the prepayment of fees.
  - b. DOT staff will notify government agencies within the County that they now have the option to participate in SCIP as a third-party entity.
  - c. DOT will prepare material to be made available upon payment of fees and on the County web page notifying property owners involved in development that the County is a participant of SCIP and as such they may be eligible for SCIP financing.

Sincerely,



Richard W. Shepard, P.E.  
Director of Transportation

RWS:db



## **RESOLUTION NO. \_\_\_\_\_ OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO**

**AUTHORIZING THE COUNTY TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM AND AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY OF THE COUNTY OF EL DORADO AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority (Authority) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the County of El Dorado (County); and

WHEREAS, the Authority has established the Statewide Community Infrastructure Program (SCIP) to allow the financing of certain development impact fees (Fees) levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the Fee Act) through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (1913 Act) and the issuance of improvement bonds (Local Obligations) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (1915 Act) upon the security of the unpaid special assessments; and

WHEREAS, the County desires to allow the owners of property being developed within its jurisdiction to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees levied on such properties provided that such property owners voluntarily agree to participate and consent to the levy of such assessments; and

WHEREAS, in each year in which eligible property owners within the jurisdiction of the County elect to participate in SCIP, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the County; and

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings, a copy of which is attached hereto as Exhibit A (ROI) and the territory within which assessments may be levied for SCIP (provided that the owner of any property subject to assessment consents to such assessment) shall be coterminous with the County official boundaries of record at the time of adoption of each such Resolution of Intention (Proposed Boundaries), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

WHEREAS, the County will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

WHEREAS, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this Board concerning the significant public benefits of SCIP and the financing of the public capital improvements to be paid for with the proceeds of the Fees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of El Dorado as follows:

Section 1. The County hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The legal owner(s) of such property execute a written consent to the levy of assessment in connection with SCIP by the Authority and execute an assessment ballot in favor of such assessment in compliance with the requirements of section 4 of Article XIID of the State Constitution.

Section 2. The County hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the County.

Section 3. The Authority has prepared and will update from time to time the SCIP Manual of Procedures (Manual) and the County will handle Fee revenues for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The appropriate officials and staff of the County are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the County and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on Exhibit B, and any other staff persons chosen by the Director of Transportation from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 5. The appropriate officials and staff of the County are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the County, as are reasonably required by the Authority in accordance with the Manual to implement SCIP for property owners who elect to participate in SCIP and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligation and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit B, or other staff person acting in the same capacity for the County with respect to SCIP, are hereby authorized and designated to declare the official intent of the

County with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.

Section 6. This Resolution shall take effect immediately upon its adoption. The Clerk of the Board of Supervisors is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote of said Board:

**Ayes:**

**Noes:**

**Absent:**

**ATTEST**  
**CINDY KECK**  
Clerk of the Board of Supervisors



By \_\_\_\_\_  
Deputy Clerk

\_\_\_\_\_  
Chairman, Board of Supervisors

**I CERTIFY THAT:**  
**THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.**

**DATE** \_\_\_\_\_

**ATTEST: CINDY KECK, Clerk of the Board of Supervisors of the County of El Dorado, State of California**

By \_\_\_\_\_  
Deputy Clerk



**EXHIBIT A**

**FORM OF RESOLUTION OF INTENTION  
TO BE ADOPTED BY CSCDA**

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO. \_\_\_\_\_ (COUNTY OF EL DORADO, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (1913 Act), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code, the Commission (Commission) of the California Statewide Communities Development Authority (Authority) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements as described in Exhibit A attached hereto and by this reference incorporated herein (Improvement Fees), all of which are of benefit to the proposed Assessment District No. \_\_\_\_\_ (County of El Dorado, California) (Assessment District); and

WHEREAS, the Commission finds that the land specially benefited by the Improvement Fees is shown within the boundaries of the map entitled "Proposed Boundaries of Assessment District No. \_\_\_\_\_ (County of El Dorado, California)," a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated "Assessment District No. \_\_\_\_\_ (County of El Dorado, California)";

NOW, THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

1. The above recitals are true and correct, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (1931 Act), being Division 4 (commencing with Section 2800) of the California Streets and Highways Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.
3. The Commission has or will designate a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Streets and Highways Code, as supplemented by Section 4 of Article XIID of the California Constitution.
4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the California Streets and Highways Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of El Dorado within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the payment of the Improvement Fees.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the California Streets and Highways Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1, Division 10, of the Streets and Highways Code of the State of California.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after completion of the improvements and payment of all claims shall be distributed in accordance with the provisions of Section 10427.1 of the Streets and Highways Code.

11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

[End of Form of Resolution of Intention]

**EXHIBIT B**

COUNTY OF EL DORADO CONTACTS FOR SCIP PROGRAM

**Primary Contact**

Name: Diana Buckley  
Title: Deputy Director of Administration, Dept. of Transportation  
Mailing Address: 2850 Fairlane Court, Placerville, CA 95667  
Delivery Address (if different):  
E-mail: dbuckley@co.el-dorado.ca.us  
Telephone: (530) 621-5972  
Fax: (530) 295-1632

**Secondary Contact**

Name: Karen Barger  
Title: Administrative Services Officer, Dept. of Transportation  
Mailing Address: 2850 Fairlane Court, Placerville, CA 95667  
Delivery Address (if different):  
E-mail: kbarger@co.el-dorado.ca.us  
Telephone: (530) 621-5948  
Fax: (530) 295-1632

**CERTIFICATION OF RESOLUTION**

I, the undersigned, the duly appointed and qualified Clerk of the Board of Supervisors of the County of El Dorado, do hereby certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a regular meeting of the Board of Supervisors of the County of El Dorado duly and regularly held at the regular meeting place thereof on the \_\_\_\_\_ day of \_\_\_\_\_, 2006, of which meeting all of the members of said Board of Supervisors had due notice and at which a majority thereof were present.

An agenda of said meeting was posted at least 72 hours before said meeting at \_\_\_\_\_, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2006

\_\_\_\_\_

Cindy Keck  
Clerk of the Board of Supervisors  
County of El Dorado

By: \_\_\_\_\_

[Seal]