



Increased Profits and Land Affordability Through the Statewide Communities Infrastructure Program

In September of 2019, the Yucaipa City Council authorized the City to join the Statewide Communities Infrastructure Program (SCIP). The financing is administered through the partnership with both the City and the California Statewide Communities Development Authority (CSCDA). CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. CSCDA includes approximately 367 cities, 56 counties, and 86 other local agencies throughout California. The Yucaipa Valley Water District is also a member of the CSCDA for water and sewer fees.

When a property owner chooses to participate in SCIP, eligible public capital improvements may be financed by the issuance of tax-exempt bonds by CSCDA, subject to the local government's approval. CSCDA will impose a special assessment on the owner's property to repay the portion of the bonds issued.

The benefits to the *property owner* include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- The program provides for low-cost, long-term tax- exempt financing for public capital improvements and development impact fees. This is a huge tool for developers and builders alike in helping to improve their bottom line.
- 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. Also, with a low tax base of 1.25% to start in Yucaipa, the added taxes to the base tax rate are minimal.
- Owners of smaller projects, both residential and commercial, can access tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district (CFD) had access to tax-exempt financing. In this case, a minimum of \$500, 000 in fees can qualify you to benefit from a SCIP program. A typical bond will fund up to 15 or 20 projects together, allowing smaller projects to benefit from a larger bonding platform.

If you have an active project in the Inland Empire and are seeking assistance with financing development impact fees and/or public improvements, please contact Craig Heaps, Managing Member of West Coast Entitlement at (909) 283-8588 or by email at craig@westcoastentitlement.com. You may also go directly to our website for additional information, located at: www.westcoastentitlement.com.

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