

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS - LAND USE
WEDNESDAY, MAY 24, 2023**

MINUTE ORDER NO. 8

**SUBJECT: NOTICED PUBLIC HEARING:
ADOPT RESOLUTIONS AMENDING THE 2019 STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM (SCIP) RESOLUTION AND ASSOCIATED
CEQA EXEMPTION (DISTRICTS: ALL)**

OVERVIEW

The Statewide Community Infrastructure Program (SCIP) allows local jurisdictions to be able to offer financing options to private, including some relatively small and local, developers to help fund components of their projects. This can help to facilitate development, especially housing development, by providing more flexible funding options so developers can navigate economic uncertainty or project financing challenges. It can also improve the quality of developments by funding amenities like sidewalks, parks, or libraries. Today's proposed actions will expand the County's current participation in the SCIP program to create additional forms of financing to help bring development, especially housing, online.

On September 25, 2019, the County adopted Resolution 19-158, or the 2019 Statewide Community Infrastructure Program (SCIP) Resolution, which allowed the County to participate in a program called SCIP. The SCIP groups together the sale of bonds from different jurisdictions into one bond issuance. The resolution gives a Joint Powers Authority, or JPA (of which the County of San Diego is a member) the authority to form districts in order to finance fees and infrastructure. Under the existing 2019 SCIP Resolution, the finance assistance bond offered through SCIP is available for the establishment of Assessment Districts (ADs). ADs typically include public infrastructure such as streets, sidewalks, lighting infrastructure, and water and sewer lines-and are limited to only County facilities like parks and libraries. In 2020, the JPA, called the California Statewide Communities Development Authority (or CSCDA), extended SCIP financing options for establishment of another type of district called Community Facilities Districts (CFDs). CFDs may include the types of infrastructure that are included in ADs, but CFDs also allow for infrastructure from other local agencies including infrastructure of school districts and water districts. For the County to participate in this newer financing program for CFDs, which allows for more fee types, more facility types, and the inclusion of maintenance fees into the bond financing, an amendment to the adopted 2019 SCIP Resolution is required.

Many developers throughout California rely on SCIP financing assistance in making their decision to purchase land for new development because, through SCIP, they have access to low-cost/tax-exempt capital for funding of public improvements. The costs of public improvements that are constructed for an AD or CFD are incorporated into the home price of each home within these districts. If a developer uses low-cost/tax-exempt capital to pay for the public improvements offered through the SCIP Program, the costs added to the home price could be reduced-potentially making it easier for new homebuyers to qualify for personal financing of a home within an AD or CFD that provides amenities they may find desirable.

The County has been a member of the California Statewide Communities Development Authority (CSCDA) since 1991. This has allowed the County and 501(c)(3) organizations in the region to use programs provided by CSCDA to access low-cost, tax-exempt bonds to finance or refinance the acquisition, construction, installation, expansion, or rehabilitation of land, buildings, and equipment. SCIP is one of several programs that is administered by CSCDA that is available to the County. The adoption of the 2019 SCIP Resolution by the Board both authorized the County's participation in SCIP, and authorized CSCDA to form ADs and issue bonds to finance impact fees and improvements on behalf of private development projects. As a participant of the 2019 SCIP, the County has been able to offer competitive financing to developers and has minimized County staff time for the formation of these ADs and non-pooled CFDs by having CSCDA issue the bonds. To date, four projects have used the SCIP process: three of these have taken advantage of the SCIP Pooled AD program—two located in the South County Region (District 4) and one in the North County Region (District 5), and one has taken advantage of the standalone CFD program and is located in the North County Region (District 5). Additionally, CSCDA requires that "special districts" such as the San Diego County Flood Control District adopt a resolution to participate in the SCIP Pooled program.

In 2020, CSCDA updated the SCIP program to include a financing mechanism for the formation of Community Facilities Districts (CFDs). Today's action seeks approval to extend the County's current participation in SCIP to align with CSCDA's (2020) financing options that now include a pooled CFDs. Today's request is for (1) the Board acting as the Board of Supervisors for the County to adopt a resolution to amend Resolution 19-158 in order to allow the County to participate in the CSCDA SCIP financing program for the formation of CFDs in addition to ADs, and (2) and for the Board acting as the Flood Control District Board of Directors to adopt a resolution in order to allow the Flood Control District to participate in the CSCDA SCIP financing program for the formation of CFDs in addition to ADs.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Acting as the Board of Supervisors for the County:

1. Find, pursuant to Section 15061 (b)(3) of the California Environmental Quality Act Guidelines (CEQA), that actions to adopt the amended resolution to participate in the expanded Statewide Community Infrastructure Program instituted by the California Statewide Communities Development Authority are exempt from CEQA since it can be seen with certainty there is no possibility that it will have a significant effect on the environment.
2. Adopt a Resolution entitled: AMENDED AND RESTATED RESOLUTION OF THE COUNTY OF SAN DIEGO BOARD OF SUPERVISORS AUTHORIZING THE COUNTY TO PARTICIPATE IN THE EXPANDED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS AND SPECIAL TAXES AND TO FORM ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS WITHIN THE TERRITORY OF THE COUNTY OF SAN DIEGO; EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF COMMUNITY FACILITIES DISTRICT FINANCINGS; APPROVING THE FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS (Attachment A, on file with the Clerk of the Board).

Acting as the Flood Control District Board of Directors:

1. Find, pursuant to Section 15061 (b)(3) of the California Environmental Quality Act Guidelines (CEQA), that actions to adopt the amended resolutions to participate in the expanded Statewide Community Infrastructure Program instituted by the California Statewide Communities Development Authority are exempt from CEQA since it can be seen with certainty there is no possibility that it will have a significant effect on the environment.
2. Adopt a Resolution entitled: RESOLUTION OF THE SAN DIEGO COUNTY FLOOD CONTROL DISTRICT BOARD OF DIRECTORS AUTHORIZING THE SAN DIEGO COUNTY FLOOD CONTROL DISTRICT TO PARTICIPATE IN THE EXPANDED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS AND SPECIAL TAXES AND TO FORM ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS WITHIN THE TERRITORY OF THE COUNTY OF SAN DIEGO; EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF COMMUNITY FACILITIES DISTRICT FINANCINGS; APPROVING THE FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS
(Attachment B, on file with the Clerk of the Board).

EQUITY IMPACT STATEMENT

The opportunity for developers to access low-cost bond funding through the Statewide Community Infrastructure Program (SCIP) will help to incentivize more housing projects in the County of San Diego's unincorporated areas and create housing inventory to assist with the housing demand across the San Diego region. Additionally, residential projects developed through SCIP will provide opportunities to develop new residential communities with appealing amenities more attainable for homebuyers. Amenities provided by public infrastructure such as parks, transit centers, and schools are often desirable to future homeowners. Paying for the costs of such public infrastructure through SCIP bond financing has the potential to reduce the amount of these costs added into the price of a home which could assist new homebuyers in qualifying for financing. Bond financing through SCIP provides the County a means to meet housing demand goals, and to make purchasing in new communities with amenities more attainable for new homeowners.

SUSTAINABILITY IMPACT STATEMENT

Extending the Statewide Community Infrastructure Program's (SCIP) bond finance option that is currently available for the development of assessment districts and making it an available option for the development of Community Facilities Districts (CFDs), will contribute to land use sustainability planning efforts in terms of improving the environment and promoting health/wellbeing for individuals. The County of San Diego's ability to offer SCIP's bond finance assistance for both assessment districts and CFDs will promote the development of new residential communities with nearby public services such as parks, trail/trail heads, schools, libraries, transit centers, and police/fire stations, that will result in the reduced need for vehicle travel and thereby contributing to reduced generation of greenhouse gas (GHG) emissions. In terms of promoting health and wellbeing, districts funded through SCIP present an opportunity for the funding and inclusion of recreational areas such as parks, trails, and open spaces providing ease of access to outdoor recreation and nature promoting the enhancement of health and wellbeing for individuals.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of the Resolution as presented today. It is anticipated that costs and time associated with processing assessment districts and CFD's through the SCIP program will be reduced as CSCDA will have primary responsibility for the formation, administration, and issuance of bonds, subject to approval of affected property owners. Developers/applicants will be responsible for all County of San Diego staff costs through developer deposit accounts established pursuant to County of San Diego ordinances, and as a condition of project approval. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Program participation may result in reduced costs for individual developments and future residents as costs associated with formation, administration, and debt issuance are shared among different projects throughout the state. The formation of Community Facilities Districts and assessment districts, and issuance of bonds to reimburse developers assists in providing for community amenities and infrastructure improvements, such as recreational centers, parks, schools, roads, trails, and sanitation systems.

(RELATES TO FLOOD CONTROL DISTRICT AGENDA NO. FL01)

ACTION:

ON MOTION of Supervisor Anderson, seconded by Supervisor Desmond, the Board of Supervisors closed the Hearing and took action as recommended, On Consent, adopting Resolution No. 23-047, entitled: AMENDED AND RESTATED RESOLUTION OF THE COUNTY OF SAN DIEGO BOARD OF SUPERVISORS AUTHORIZING THE COUNTY TO PARTICIPATE IN THE EXPANDED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS AND SPECIAL TAXES AND TO FORM ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS WITHIN THE TERRITORY OF THE COUNTY OF SAN DIEGO; EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF COMMUNITY FACILITIES DISTRICT FINANCINGS; APPROVING THE FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS.

AYES: Vargas, Anderson, Desmond

NOT PRESENT: Lawson-Remer

ABSENT: (District 4 Seat Vacant)

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

MAY 24, 2023