

EIFD's Expanded to Cover Maintenance

On Wednesday September 19th 2018, Governor Brown approved and signed Senate Bill 1145, a sponsored bill with CALED. This bill aimed to protect local economic development investments by allowing Enhanced Infrastructure Financing Districts (EIFDs) finance ongoing maintenance costs for public projects in their districts.

In 2014, Senate Bill 628 (Beall) was enacted to have local agencies to create EIFDs to finance key infrastructure projects and facilities. EIFDs become an important economic development tool that allow jurisdictions to move projects forward that might otherwise be shelved, given the absence of redevelopment.

However, eligible costs for EIFDs were limited. Financing only included construction, acquisition and rehabilitation, as well as planning and design expenses. The districts are prohibited from financing routine maintenance and repair work because long-term maintenance costs were oftentimes overlooked in infrastructure development. This became problematic in that many communities need funds from these districts to maintain the structures they build.

SB 1145 helps solve this problem. It allows EIFDs to maintain facilities financed in whole or in part by the EIFD and protects taxpayer investments. Furthermore, by allowing EIFDs to perform routine maintenance and repairs during the life of the district and associated revenues, provides security to local general funds and allows district budgets to reflect the true costs of building and maintaining infrastructure.

Gurbax Sahota , President and CEO of CALED, said “Enhanced Infrastructure Financing Districts (EIFDs) are an important economic development. Now that communities are able to use these funds for maintenance costs, we hope to see more EIFDs created. We are excited to see our sponsored bill with Senator Leyva’s office passed into law.”

Thank you to the leadership of Senator Leyva (D- 20th Senate District) as well as Governor Brown for signing this bill. We would also like to thank partners and members like California Business and Properties Association, City of West Sacramento, City of Inglewood, The League of California Cities and others who have helped support this bill over time.