

Explanation of Local Revenue Tools in California



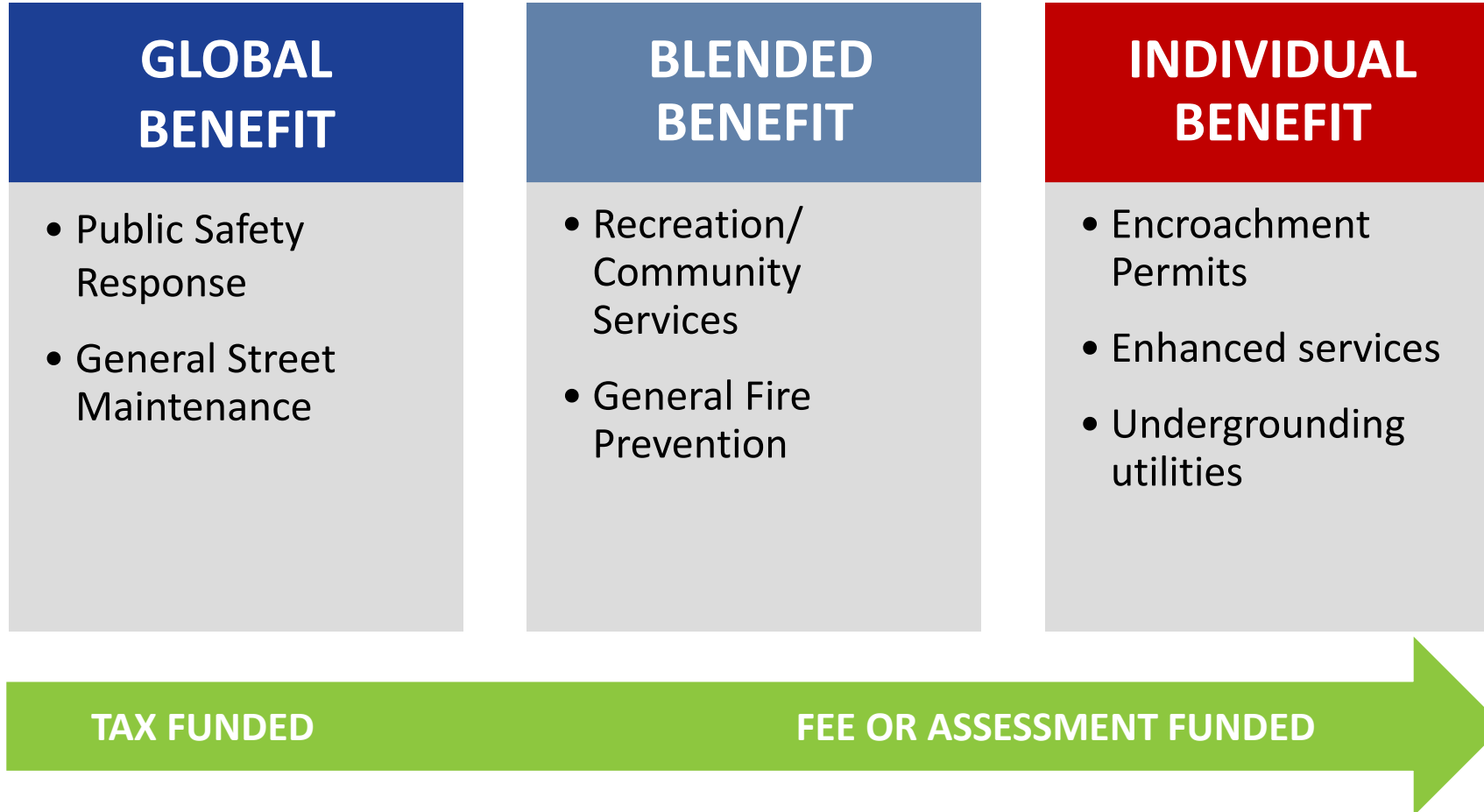
Town of Discovery Bay, April 3, 2024

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What are Parcel Taxes, CFDs and Benefit Assessments?



The Spectrum of Tax to Fee/Assessments...



SFD Revenue Tools: The Short List

- 1 Community Facilities District, or CFD
- 2 “Special” Parcel Tax
- 3 Special/Benefit Assessment Districts
- 4 Property-related fee

Choosing Among Taxes/Fees/Assessments...



Note: SFD=Special Financing Districts

CFDs and Parcel Taxes

NOT BENEFIT-BASED

- Reasonable metrics
- Achieves local goals and policies

APPROVAL MECHANISM

- Voter approved, still 2/3 required
- CFD landowner vote(s)

SAMPLE PROJECTS

- Parks and libraries
- New development
- Open space acquisition and maintenance

Benefit Assessments

ARE BENEFIT-BASED

- General benefit
- Rigor of assessment engineering
- Still viable...

APPROVAL MECHANISM

- Property-owner
- Protest ballot
- 50% + protest?

SAMPLE PROJECTS

- Infrastructure, new and replacement
- Ongoing maintenance

Property-Related Fee (*not* water, sewer, trash)

ANALYTICAL RIGOR

- Voluntary nature?
- Analytical analysis

APPROVAL MECHANISM

- “Property-based fees” balloted

SAMPLES

- Sacramento drain fee
- CSA fees for roads, fire, etc.

GVRD Parcel Tax Measure

NEEDS AND POLICY AIMS

- Maintain parks
- Provide services for many users
- Fairness to payers

FORMATION AND APPROVAL

- Research and poll
- Educate and inform
- Develop tax formula
- Mailed ballot election (2/3)

ANNUAL ADMIN

- Tracking, calculating, and collections
- Responding to inquiries
- Annual reporting

INITIAL FORMATION

ONGOING

Downtown Burlingame Assessment



- Years of neglect and lack of consensus
- Funding challenges
- Interests coalesce
- Special assessment passed
- Property-owner ballot process