

CALIFORNIA SUSTAINABILITY INNOVATION SESSIONS

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**Southwest
Megaregion
Alliance**

Principles behind the design of the Enhanced Infrastructure Financing District

Goal orientated approach that creates wealth and funding through:

- Policies on land use that have value that is captured
- Investments that individuals, property owners, businesses are willing to pay for the benefits (nexus is demonstrated)
- Putting organizations in community together more efficiently-multiple and diverse funding streams

Public Finance Authorities: Board of Infrastructure Financing Districts

Maximum flexibility in all design features of the legislation

- Creation of districts: Any Size
- Creation of Public Finance Authorities- Funding Board for the Districts
- Design of Business Plans
- Design of Investment Program-not stovepipe or program driven

New Model for local and regional infrastructure investment in California.

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Authorizes the creation of a Public Finance Authority (PFA) with comprehensive authority to address all local and regional needs

- All infrastructure except school facilities
- All Economic Development including industrial, commercial, housing- that has a community benefit.
- Environmental clean up

Creates a way to put multiple organizations needed to address goals and problems to be solved

- the
- City or Country initiates but all financing partners are eligible to be on the Board including special districts
 - Partnerships with private and non-profits can developed with streamlined procurement procedures



Local Funding Sources-
Every thing you can
think of except tax
increases that can be
included in a business
plan:

1. **Public/Private Partnerships**
2. **User Fees**
3. **Assessments on property**
4. **Developer Agreements**
5. **Property Tax increment**
6. **VLF Tax backfill**
7. **Anticipation Agreements**
8. **Cap and Trade Allocations**
9. **Any Federal/State/Local
Grant or Tax Credit**
10. **Loans from Public
Agencies**

Exploring Funding Streams

Using an
*Enhanced Infrastructure
Financing District (EIFD)*
for
Los Angeles
River Revitalization

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Rivers of LA Studio Highlights Three Major Advantages of SB628 & AB313

1. Requires Integrated Investment Program that achieves Goals.
2. Facilitates bringing together the organizations in our communities needed to achieve the goals.
3. Provides the authority to generate funds from all sectors to finance the goals.

Integrating Three Visions

Feasibility Report (2013)

Goals:

- Supporting Ecological Processes, Increase Biodiversity, Restore Natural Hydrologic Regime
- Generate Recreational Opportunities

LA River Master Plan (2007)

Goals:

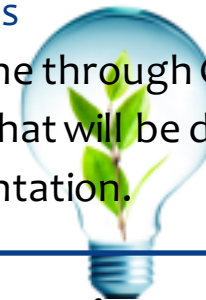
- Ecosystem Restoration and Physical Improvements to acquired nearby land
- Revitalize Riverside Neighborhoods, Community Opportunities and Values.
- Enhanced Flood Storage and Water Quality.

Stormwater Capture Master Plan (Draft 2014)

Goals:

- Capture the stormwater Value
- Obtain a water supply that LA needs

This may be done through Green Infrastructure that will be discussed further on in the presentation.

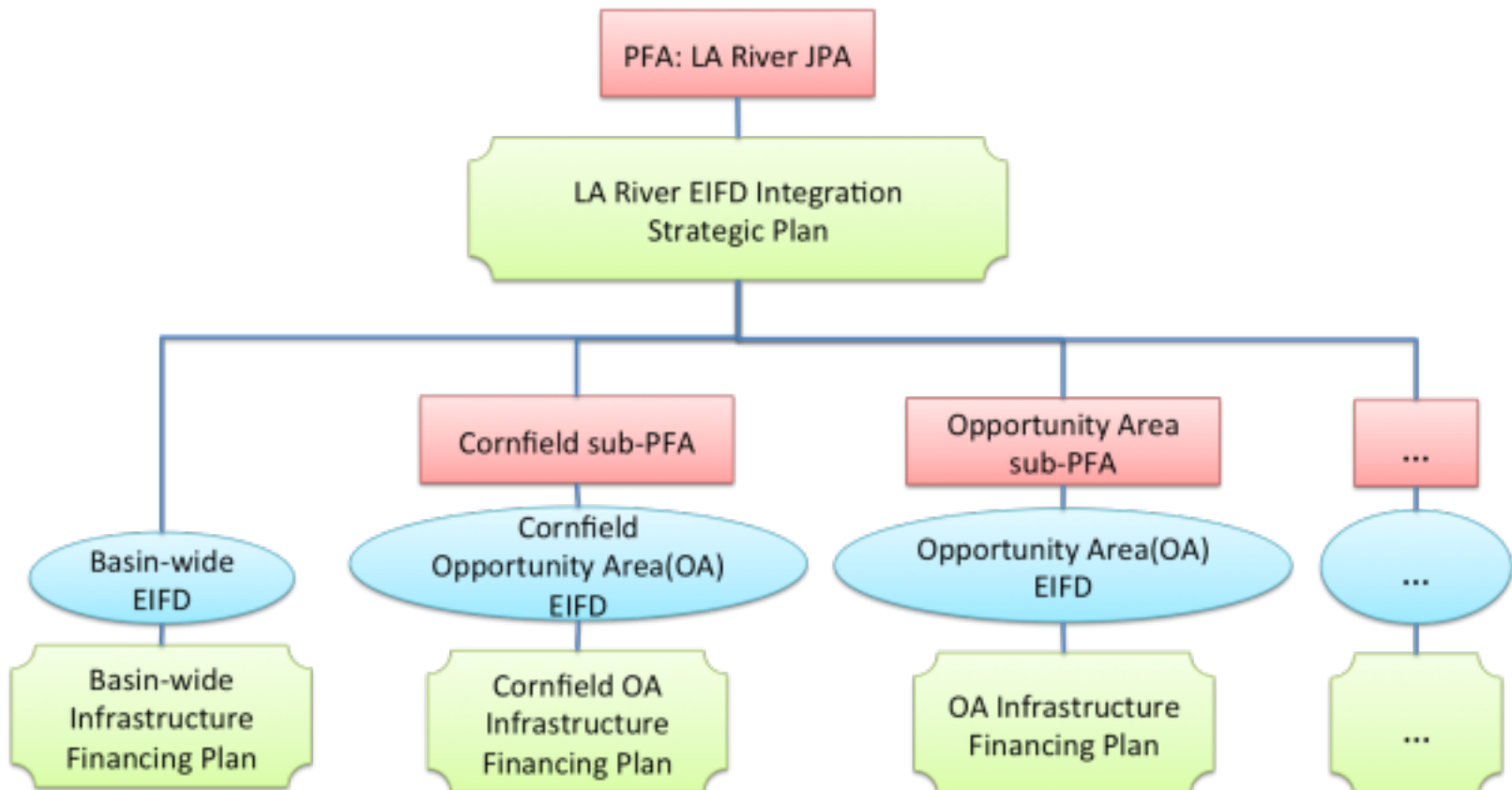


New Information: Bayesian Climate Change Modeling, changing hydraulic structures and impacts to river revitalization planning, new information to be collected and considered.

Establishing EIFDs / Public Finance Authorities

The goal and infrastructure needs

- Ecological restoration of the river: Basin-wide green infrastructures and stormwater management projects etc.
- Economic revitalization: riverfront recreation and commercial development etc.



A Closer Examination of Organizations Needed

- Local Agency or Agencies
 - County of LA
 - LADWP
 - LACFCD
 - State and Federal (?)
 - Establish Common Goals & Objective
 - Identify Investment Needs



Examples:

Boost local water supplies (LADWP)

Reduce stormwater runoff

Increase recycled water use

Recharge groundwater

“Greening Neighborhoods” (LA)

Connect River to Communities

Lifestyle improvements

Change Hydrology –(BOR)

Increase flood storage capacity

Reduce flow velocity

Ecological Restoration (COE)

Increase habitat

Restore ecological functions

Meet Water Quality Goals

TMDL Requirements (EPA)

L.A. River: 20 Opportunity Areas

Opportunity Areas



CASP Opportunity Area Example

The Cornfield (CASP) Opportunity Area

Why choose this area:

- Both the LA River Master Plan and the Army Corps' plan identified this area as crucial for LA River revitalization.
- Has updated its Land Use Plan to capture value.

The Public Financing Authority:

- City of LA

District boundary:

- Plan boundary of the Cornfield Arroyo Seco Specific Plan (CASP)
- Butterfly-shaped area of 603 acres.





Case Study: Las Virgenes Creek Restoration

Establishing a Green Infrastructure Finance Plan: Assessment Revenues

- July 27th - Dec 18th, 2007
- Malibu Creek Watershed
- Concrete lined
- Property Values increase between 2-10% (CNT, 2010)
- River-adjacent Elysian Valley housing prices jumped 21% (LA Curbed, 2014)

Business Plan

Funding for the Investment Plan

- Increased Value Created by CASP (45 yrs) \$101 billion
- Increment captured (45 yrs)
 - \$1.01 billion
- L.A. City Share (45 yrs)
 - \$201 million
- VLF Backfill (45) yrs)
 - \$26 million
- Greening Appreciation (2-10% / 45 yrs) \$200million-
\$1.0 billion
- Water Capture value (annual) \$154-225million

Water and Habitat Applications in California

- * **Sonoma County Venture Conservation Initiative**
- * **Newport Bay and Estuary**
- * **Upper Santa Ana River Groundwater storage system**
- * **San Bernardino storm water and ground water system**
- * **Riverside/ Imperial – Salton Sea**



WHAT YOU NEED TO DO TO GET STARTED

*Los Angeles City Council
passed resolution that
allocated resources to start
the process.*

February 20, 2015



Let's Get
Started

Questions?