



COUNTY OF NEVADA COMMUNITY DEVELOPMENT AGENCY

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Agricultural Commissioner

Building

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: December 16, 2025

TO: Board of Supervisors

FROM: Trisha Tillotson, Community Development Agency Director

SUBJECT: Resolution of the Board of Supervisors of the County of Nevada authorizing the County to join the 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 Nevada; embodying a Joint Community Facilities Agreement setting forth the terms and conditions of Community Facilities District financings; approving form of acquisition agreement for use when applicable; and authorizing related actions

RECOMMENDATION:

Staff recommends that the Board of Supervisors hold a public hearing and adopt the Resolution.

FUNDING:

Participation in the Statewide Community Infrastructure Program (SCIP) will not require the County to pledge any funds, assume any liabilities, or incur any financial obligation, as all financial responsibility lies with the participating property owners. Furthermore, to participate in the SCIP, the County of Nevada must be a member of the California Statewide Communities Development Authority (CSCDA). In joining CSCDA, there is no cost and Nevada County will not be financially responsible for bonds issued through CSCDA.

BACKGROUND:

On January 22, 2025, the Economic Development Program Manager and the Sierra Business Council presented a Finance and Incentive Report at the Board of Supervisors Workshop highlighting options that Nevada County might consider adopting as part of their economic development strategy. On April 8, 2025, a more detailed presentation was made on several Priority One Initiatives including SCIP and the Board recommended moving forward with SCIP. On September 9, 2025, the Board approved Resolution 25-447, however, additional information was required by CSCDA.

CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. Over 530 cities, counties and special districts throughout California are members of CSCDA, including Nevada County. SCIP was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development related fees that would be payable by property owners upon receiving development entitlements or building permits through a

pooled special assessment districts program. SCIP was expanded to include financing of public capital improvements directly in addition to just fees and has now been further expanded to include community facilities districts (“CFDs”) and an option to finance public services in respect of stand-alone bond issues, necessary to support development in the County, as provided for in the proposed SCIP resolution. Since its inception SCIP has issued over \$1 billion in land secured special assessment and CFD bonds for development projects in California.

If a property owner applies to participate in SCIP, and the County approves the application, the selected public capital improvements, facilities and/or development related fees owed to the County will be financed by the issuance of bonds by CSCDA. Property owners, in consultation with the County and the SCIP team, can opt to have CSCDA form either an assessment district or a community facilities district. CSCDA determines whether the project will be included in the SCIP pool program (where no one developer within the SCIP pool is responsible for the payment related to any other project) or, depending on the projected bond sizing and other factors, implemented as a stand-alone financing. In either case, CSCDA will form the appropriate district and impose an assessment or special tax, as applicable, on the owner’s property to repay the portion of the bonds issued to finance public capital improvements, facilities and/or development related fees.

With respect to the financing of development related fees, the property owner will either pay the development fees at the time of permit issuance and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued, or the fees will be funded directly from the proceeds of the SCIP bonds. In both cases, the fees are subject to requisition by the County at any time to make authorized fee expenditures, and the County is never at risk for payment of its fees. If the property owner is required to construct improvements to be dedicated to the County, the proposed SCIP resolution includes a form of acquisition agreement to be used when such improvements are funded with SCIP bond proceeds, which outlines how a developer will be reimbursed for improvements as they are certified complete by the County.

The benefits of SCIP to the property owner include:

- Only property owners who choose to participate in the program will have assessments or special taxes imposed on their property.
- Instead of paying cash for public capital improvements and/or development related fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the assessments or special taxes at any time.
- For home buyers, paying for the costs of public infrastructure through an assessment or special tax 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. Moreover, because the assessment/special tax financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or community facilities district had access to tax-exempt financing. SCIP can finance projects as low as \$500,000, which would not be economical on a stand-alone basis.

The benefits of SCIP to the County include:

- As in conventional assessment district and CFD financing, the County is not liable to repay the bonds issued by CSCDA or the assessments or special taxes, as applicable, imposed on the participating properties.

- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating city, county or special district can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.
- Providing tax-exempt financing helps participating cities and counties cushion the impact of rising public capital improvements costs and development related fees on new development. Many developers rely on assessment district or CFD financing through SCIP in making the decision to purchase land, thereby improving the County's competitive advantage in attracting new development.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating city, county or special district immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the assessments or special taxes on successful projects can be refinanced through refunding bonds. Savings achieved through a refinancing may be directed to lower property taxes subject to applicable federal tax limitations.

The proposed SCIP resolution authorizes CSCDA to accept applications from owners of property within our planning jurisdiction to apply for tax-exempt financing of public capital improvements and development related fees through SCIP. It also authorizes CSCDA to form assessment districts and community facilities districts within our County's boundaries, conduct assessment and special tax proceedings and levy assessments and special taxes against the property of participating owners. It approves the form of an acquisition agreement, attached to the SCIP resolution as Exhibit B, to be entered into between the County and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

In addition to the funding of public capital improvements and development related fees, the proposed SCIP resolution authorizes CSCDA to form community facilities districts within our County's boundaries to levy special taxes to fund public services necessitated by new development projects, if approved by the participating property owner. Similar to the funding of public capital improvements and development related fees, once an application is received by the participating property owner and approved by the County, CSCDA handles all district formation and district administration. CSCDA will coordinate with the County annually to prepare the budget for the levy and will levy and collect the special taxes for disbursement to the County when collected. Public services will only be included in a community facilities district formed for a stand-alone project.

After Board of Supervisors discussion and questions, open the public hearing to order and invite any interested members of the public to provide testimony regarding SCIP and the proposed action. Upon the close of the hearing, if the Board of Supervisors wishes to join SCIP and become a participating member County in this program, the Board should adopt the proposed Resolution. The Resolution requires only a simple majority vote.

Item Initiated by: Kimberly Parker, Program Manager Economic Development

Approved by: Trisha Tillotson, Community Development Agency Director

Submittal Date:

Revision Date: