



Statewide Community Infrastructure Program (SCIP)

Financing Development Impact Fees through Property Assessments

The City of Placerville has partnered with the California Statewide Communities Development Authority (California Communities) to offer developers in Placerville a cost-effective option for funding development impact fees and capital improvements on projects through the Statewide Community Infrastructure Program (SCIP).

What is SCIP?

SCIP allows a developer or property owner to finance the City's impact fees on projects. SCIP pays the City of Placerville the development impact fees via tax-exempt bonds and the developer or property owner applying for SCIP agrees to pay assessments to SCIP over a period that may not exceed 30 years, secured by a lien against the property.

Property owners may be reimbursed by SCIP for development impact fees paid at the time of building permit issuance, or can receive pre-funding of the development impact fees just prior to obtaining a building permit. SCIP may finance either eligible development impact fees payable to the City of Placerville or eligible public capital improvements or both.

What are the benefits of SCIP to property owners or developers?

Using SCIP can assist in maximizing project cash flow by providing low-cost tax-exempt financing of development impact fees for projects of all sizes. Property owners have the option of paying off the assessments at any time within the 30 year maximum period.

What City fees may be financed through SCIP?

Impact fees or capital improvement charges, including traffic, parks, water and sewer are eligible to be financed by SCIP.

What types of projects are eligible for SCIP?

SCIP can be used for residential and non-residential projects. The current (2013) minimum impact fee and capital improvement threshold for SCIP is \$200,000 per project.

What is an assessment lien through SCIP?

The assessment lien is imposed on the parcel of land pursuant to the Municipal Improvement Act of 1913. The Act authorizes an issuer to impose an assessment lien on benefiting property to finance various public improvements. It is essentially a legal claim against the property that is used to secure funding through the SCIP program and must be paid when the property is sold, similar to a mortgage lien.

What are assessment bonds through SCIP?

The bonds are Limited Obligation Improvement Bonds authorized under the Improvement Bond Act of 1915 and secured by the liens imposed under the 1913 Act.

Impact Fee/Assessment Lien Comparison Examples

The table below shows some sample development impact fee amounts and provides estimates of assessment liens and annual special taxes for the various fee levels. These are only estimates that are subject to change depending on the actual financing terms and are based on 5.25% interest and a 30 year term.

Fee Amount	Assessment*	Estimated Annual Taxes	Interest Rate	Term
\$200,000	\$ 235,000	\$ 15,784	5.25%	30 years
\$ 500,000	\$ 575,000	\$ 38,621	5.25%	30 years
\$1,000,000	\$1,150,000	\$ 77,243	5.25%	30 years
\$3,000,000	\$3,450,000	\$231,729	5.25%	30 years
\$5,000,000	\$5,745,000	\$385,878	5.25%	30 years

*Includes cost of issuance and a reserve fund

How is SCIP administered?

SCIP is administered by highly trained and experienced consultants who prepare the tax roll, disseminate continuing disclosure reports and handle delinquencies. These consultants are selected and retained by California Communities.

Where can I get a SCIP application?

SCIP applications are available at the California Communities website: www.cacommunities.org. The current (2013) application fee is \$1,500.

How do I obtain more information on SCIP?

For more information, please contact:

- Dave Warren, Director of Finance, City of Placerville: (530)642-5223;
- City of Placerville Development Services Department: (530) 642-5252, or
- [California Communities SCIP brochure](#).