
CONSENT

Bill No: AB 336
Author: Villapudua (D)
Introduced: 1/27/21
Vote: 21

SENATE GOVERNANCE & FIN. COMMITTEE: 5-0, 6/10/21
AYES: McGuire, Nielsen, Durazo, Hertzberg, Wiener

ASSEMBLY FLOOR: 74-0, 4/8/21 (Consent) - See last page for vote

SUBJECT: Enhanced infrastructure financing districts: public financing
authority: members: joint powers authorities

SOURCE: Author

DIGEST: This bill allows any member of a taxing entity's legislative body serving on an enhanced infrastructure financing district (EIFD) board to concurrently serve as a board member of a joint powers authority (JPA) where the taxing entity is a member.

ANALYSIS:

Existing law:

- 1) Authorizes local governments to create EIFDs and to use tax increment financing (TIF) to finance public capital facilities or other specified projects.
- 2) Requires an EIFD to have a membership consisting of one of the following:
 - a) If an EIFD has only one participating taxing entity, then the membership of its public financing authority (PFA) shall consist of three members of the legislative body of the participating entity and two members of the public chosen by the legislative body.
 - b) If an EIFD has two or more participating affected taxing entities, PFA membership shall consist of a majority of members from the legislative

bodies of the participating entities, and a minimum of two members of the public chosen by the legislative bodies of the participating entities.

- 3) Requires a legislative body, when designating an EIFD, to adopt a resolution of intention to establish a proposed district. The resolution of intention shall include, among other things, a statement that an EIFD is proposed to be established and a description of the boundaries, which may be accomplished by reference to a map.
- 4) Authorizes the EIFD, among other things, to purchase, construct, or improve of real property or maintain of public facilities, as specified.
- 5) Establishes the Joint Exercise of Powers Act, which generally allows two or more public agencies to jointly use their powers in common through a joint powers agreement. Many times, a joint powers agreement creates a new, separate governmental agency called a JPA.
- 6) Prohibits a public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee, or other body from simultaneously holding two public offices that are incompatible as specified.

This bill allows any member of the legislative body of a participating affected taxing entity who serves as a member of the PFA of an EIFD, to serve as a member of the governing body of a JPA where the taxing entity is a member.

Background

Recent reports from the Governor's Office of Planning and Research found that despite the multitude of TIF tools available for local agencies to choose from, only five EIFDs have been created by the end of 2020: Otay Mesa (San Diego County), Placentia (Orange County), La Verne (Los Angeles County), West Sacramento (Yolo County), and Sacramento (Sacramento County). Of these five, only the Placentia and La Verne EIFDs include County participation. Three additional TIF districts are under consideration in the cities of Fresno, Ontario, and Redondo Beach.

Comments

- 1) *Purpose of the bill.* According to the author, "Assembly Bill 336 will eliminate potential conflicts in current law that may result in invalidating actions taken by a Joint Powers Authority Board. AB 336 will clarify that members from the legislative bodies of the participating agencies who serve as public financing

authority members can also serve as Board members of a Joint Powers Authority implementing the financed project.”

- 2) *Slippery slope?* AB 336 exempts members of an EIFD PFA who also serve on a JPA board from incompatible office law to eliminate any potential conflicts between members who serve on both the EIFD PFA board and the JPA board. According to the San Joaquin Area Flood Control Agency (SJAFCFA), it “... is advancing a flood protection project to protect the Mossdale Tract at a cost of hundreds of millions of dollars. SJAFCFA and its member agencies plan to use the EIFD as a financing mechanism. Unfortunately, without the passage of AB 336, SJAFCFA and its member agencies would be precluded from using the same [elected] officials on the Board of SJAFCFA and the Board of the EIFD. This limitation would increase the transactional costs of the project and subject this effort to greater inefficiencies.” While serving in these two capacities may not appear to violate incompatible office law because neither EIFD boards nor JPA boards supervise each other, or pose an inherent risk for a significant clash of duties, the possibility of such a conflict could increase if more EIFDs form.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 6/15/21)

California Central Valley Flood Control Association
City of Lathrop
City of Stockton
County of San Joaquin
San Joaquin Area Flood Control Agency

OPPOSITION: (Verified 6/15/21)

None received

ASSEMBLY FLOOR: 74-0, 4/8/21

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio,

Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel,
Waldron, Ward, Wicks, Rendon

NO VOTE RECORDED: Cooley, Holden, Mullin, Wood

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