



# City of Rancho Cordova Statewide Community Infrastructure Program "SCIP"

The City of Rancho Cordova is committed to providing a business-friendly environment that fosters community growth and prosperity. The City is proud to offer development incentives, such as the SCIP program, to assist developers with the financing of local infrastructure. SCIP provides an experienced team of professionals to guide developers through the process.

## What It Is

- Allows property owners to obtain financial assistance for non-residential development impact fees associated with infrastructure

## Benefits for Both Parties

- Encourages developers to pay fees sooner and in larger blocks
- Allows property owners to obtain low-cost, long-term financing for transportation impact fees
  - Non-recourse loan for all or part of the fees, 30 year maximum
- SCIP handles the administration of forming an assessment district and related tasks; city is not liable to repay bonds

## The Process

- SCIP issues tax-exempt revenue bonds and uses the proceeds to finance the development fees
- SCIP levies an annual property tax assessment to repay the revenue bonds and cover administrative costs
- Obligation to pay a property lien follows the parcel
- Funds must be used for public improvements and infrastructure (which can be funded through special assessments)

## Types of Programs

- Impact Fee Reimbursement Program
  - Property owner pays all fees when building permit is issued; funds are paid to directly to SCIP (for federal income tax reasons)
  - Property owner reimbursed from next bond sale once application is accepted
- Impact Fee Prefunding Program
  - Provides funding before development takes place for large infrastructure projects

## Other

- The bonds are Limited Obligation Improvement Bonds
- Program is run by the California Statewide Communities Development Authority (CSCDA), of which the City of Rancho Cordova is a member
- SCIP applications: [www.cacommunities.org](http://www.cacommunities.org)

## SCIP Fee Assessment Guidelines

| Roadway Fee Amount | Estimated Assessment Lien (a) | Estimated Annual Taxes |
|--------------------|-------------------------------|------------------------|
| \$100,000          | \$120,000                     | \$8,736                |
| \$200,000          | \$235,000                     | \$17,108               |
| \$500,000          | \$575,000                     | \$41,860               |
| \$1,000,000        | \$1,150,000                   | \$83,720               |
| \$3,000,000        | \$3,450,000                   | \$251,160              |
| \$5,000,000        | \$5,745,000                   | \$418,236              |

Assumptions: 6% Interest Rate and 30-year term.

(a) Includes cost of issuance and a debt service reserve fund. Rates are preliminary and subject to change.

Please contact the Economic Development Department at (916) 851-8780 or [econdev@cityofranhocordova.org](mailto:econdev@cityofranhocordova.org) for more information.