

5.0 Fiscal Issues

The public facilities and services described in Section 4.0 of the Service Area Plan/Municipal Service Review (SAP/MSR) for Holtville will be funded by a variety of revenue sources. **Table 5-1** provides a summary of the revenue sources available to finance necessary public facilities and services as areas within the SOI are annexed to the City of Holtville (definitions of these sources are provided in Appendix B, Municipal Revenue Sources). Many of these revenue sources, such as property tax, sales tax, development impact fees, and others are currently used by the City; however, other sources like benefit assessments, and parcel taxes offer additional opportunities to provide facilities and services needed to support development within the SOI.

5.1 SOI Development Impact on City Finances

To accommodate growth in the City's SOI, a variety of funding sources will be utilized. Past growth within the City boundary has been limited to a relatively small land area (approximately 732 acres) in which public facilities and services could be provided efficiently. Some city services, such as water/wastewater services, are being provided to areas outside the City boundary.

Future growth will expand the service area to approximately 1,541 acres by the year 2020 (**Figure 5-1**). This is over twice the 1998 City jurisdictional area of 732 acres. This SAP/MSR identifies those public facilities and services necessary to support projected development by 2020 and discusses sources of revenue that may be used to finance these facilities and services.

5.2 Financing of Projected Facilities and Services

To support 2020 projected growth, the City will need to utilize a variety of revenue sources available to municipal governments. In particular, the City will need to utilize those methods of funding public facilities and services that assign the costs of growth to new development, such as development impact fees and exactions, benefit assessments, Mello-Roos community facilities tax, and current service charges.

Where expansion of facilities and services to accommodate growth provide substantial benefits to all of Holtville, other funding sources, such as a parcel tax or special tax for police and fire services may be appropriate. Specific analysis of fiscal options for each service analyzed in this Service Area Plan/Municipal Service Area Plan is included in the *Financing Constraints and Opportunities* subsection of the respective chapters in Section 4.0, *Public Services and Facilities*. **Table 5-2** summarizes grant and loan sources available to the City.

Table 5-1
Summary of Revenue Sources

	Facilities	Services
A. Administrative	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Development Impact Fees and Exactions • Redevelopment Fund • Water Fund • Wastewater Fund • Solid Waste Fund 	<ul style="list-style-type: none"> \$ CDBG \$ Redevelopment Fund \$ HOME Grant Funds
B. Law Enforcement	<ul style="list-style-type: none"> • General Taxes (i.e., property, sales, use, business license, utility user's, transient occupancy, etc.) • Parcel Tax • Motor Vehicle License Fee • Development Impact Fees and Exactions 	<ul style="list-style-type: none"> • Mello-Roos Community Facilities Tax • Parcel Tax • Special Tax for Police Services • Motor Vehicle License Fee • Current Service Charges • State COPS Grant Funds
C. Fire Protection	<ul style="list-style-type: none"> • General Taxes (i.e., property, sales, use, business license, utility user's, transient occupancy, etc.) • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fees and Exactions 	<ul style="list-style-type: none"> • Mello-Roos Community Facilities Tax • Parcel Tax • Special Tax for Fire Services • Motor Vehicle License Fee • Benefit Assessment
D. Transportation	<ul style="list-style-type: none"> • General Taxes (i.e., property, sales, use, business license, utility user's, transient occupancy, etc.) • Parcel Tax • Motor Vehicle License Fee • Gasoline Tax • Benefit Assessment • Development Impact Fees and Exactions • Local TDA Funds • Local Transportation Authority Funds 	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Gasoline Tax • Benefit Assessment
E. Parks & Recreation	<ul style="list-style-type: none"> • General Taxes (i.e., property, sales, use, business license, utility user's, transient occupancy, etc.) • Mello-Roos Community Facilities Tax • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fees and Exactions • Redevelopment Funds 	<ul style="list-style-type: none"> • Mello Roos-Community Facilities Tax • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fee
F. Drainage	<ul style="list-style-type: none"> • General Taxes (i.e., property, sales, use, business license, utility user's, transient occupancy, etc.) • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fees and Exactions • Redevelopment Funds 	<ul style="list-style-type: none"> • Mello-Roos Community Facilities Tax • Parcel Tax • Motor Vehicle License Fee
G. Water	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fees and Exactions 	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Current Service Charges

Table 5-1
Summary of Revenue Sources

	Facilities	Services
	<ul style="list-style-type: none"> • Redevelopment Funds 	
I. Wastewater Treatment and Collection	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Benefit Assessment • Development Impact Fees and Exactions • Redevelopment Funds 	<ul style="list-style-type: none"> • Parcel Tax • Motor Vehicle License Fee • Current Service Charges

Note: Various federal, state and county grants may also be used to fund various programs. Examples of common federal grants to cities are the Community Development Block Grant (CDBG) and Housing and Urban Development (HUD) grants.

Figure 5-1
Potential Growth Areas (2020)

Table 5-2
Grant and Loan Sources

Source	Program	Program Purpose	Type	Maximum Amount	Terms	Restrictions	Details
Banks and Other	Certificates of	Public Enterprise	30-Year Loan	Varies	Tax Except Bond	Project must be Proven	Revenue Bond Law of
Private Financial Institutions	Deposits, or Revenue Bonds, Issued by the Financial Market	Project Funding			Market Rate Based on Risk Level	Financially Viable	1941; Sewer Revenue Bond Act of 1933
SWRCB	State Revolving Fund (SRF) Loan Program	WW, Non point	20-Year Loan	\$50M Approx.	I. 50% of GO Bond Rate, or II. 0% Rate	II. 20% Up from Match	SRF application process is lengthy
US Dept. of Agriculture (USDA)	Rural Utility Service (RUS)	Source, Estuary, Stormwater Water & WW	Loan/Grant	Loan: Open. Grants: 75% of Fac	40 years 4.5% to 5.5%	Small Poor Community (<10,000 capita)	Based on Median Household Income
EPA & North Amer. Development Bank (NAD Bank)	Cooperation Council (BECC) Certification for NAD Bank Financing	Infrastructure Projects	Private Bank Loan	Project Dependent	20 Years: Treas. Rate + 1/2%	Border Region Projects	New Program
Rural Community Assistance Corp. (RCAC)	Project Bridge Loans for Design Costs	Bridge Loan for Design	Private Bank Loan	\$0.25M	1 Year: Treasure Rate	Rural Community (<10,000 capita) & Ineligible for Bank Loans	Provides short-term bridge financing for design costs prior to receipt on main long-term funding source
Dept. Of Housing and Urban Development (HUD)	Community Development Block Grant (CDBG) Program	Water & WW Infrastructure Projects	Grant	\$1.2M/City	Grant	Smaller (<50,000 capita) Poor Communities	Annual Program, Limited to < 50,000 capita poorest communities with health or safety problems
Housing and Urban Development (HUD)	CVDBG Colonias Allocation (1992 Act)	Water & WW Infrastructure Projects	Grant	N/A	Grant	Poor Border Region Communities	Annual Program, Limited to communities near poverty level without infrastructure
Economic Development Administration (EDA)	Public Works & Development Facilities Program	Water/WW Projects for Econ Improvement	Grants	\$5M		Redevelopment Area serving Comm/Ind. Fac.	

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