

Revenue Generator      *Benefit Assessment Districts*

Application      Local

Introduction

Benefit assessment districts allow a public agency to construct and maintain improvements, such as traffic signals, parks, and others community amenities. Project costs are assessed within the boundaries of the designated benefit area of the county or city. Benefit assessment districts have several advantages: they tie financing of specific projects to beneficiaries; they allow different levels of infrastructure and services to vary with different demands for these public goods; and they allow an area that wants better infrastructure the ability to fund desired improvements itself. There are certain disadvantages, however, including potential fragmentation of infrastructure and services varying between those areas that want to pay for the improvements and those that do not. Local jurisdictions have the authority to create benefit assessment districts. A nexus study and local agency approval would be required and would require a new program structure to administer.

Yield Potential

The yield potential is small and revenue assumptions are unknown.

Use/Restrictions

Only known restrictions are that these districts would require a nexus study and local agency approval. Proposed uses could vary depending on need. Use for system preservation, system management or system expansion unknown is unknown but are unlikely to be used for large projects. Potential for use in small transit projects or for bike/pedestrian infrastructure projects.

Sustainability

Annual administrative costs would be minimal.

Pros/Cons

A nexus would be required and any kind of flat district fees would not be tied to inflation so effectiveness would decrease over time. Could provide somewhat easy implementation source of funds for small projects with no other identified funding source.

### Implementation

Short term since no supermajority is required and low to medium implementation requirements. Local jurisdictions have the authority to implement an assessment district but a nexus study would be needed.

### Conclusion/Recommendation

Implementation requirements lower than parcel taxes but revenue generation may be minimal since districts would typically be smaller than local jurisdictional size.