

Revenue Generator      *Community Facilities Districts*

Application      Local

Introduction

Community facilities districts (CFDs) are allowed under the provisions of California Government Code Section 53311 (known as the “Mello-Roos Community Facilities Act of 1982). Districts formed under this act are more commonly referred to as “Mello-Roos” districts, community facilities districts, or “CFDs.” The act allows public agencies and cities to form a CFD to fund capital infrastructure and services. It is not clear though if statutes would currently allow the use of CFDs to fund transit operations other transportation expenditures.

Yield Potential

The mode, purpose, and yield of the tax would depend upon its adoption.

Use/Restrictions

It appears that CFD’s would require new state legislation to approve in order to be used for transportation, particularly transportation operating dollars.

Sustainability

Costs would include those associated with district approval and annual administrative costs may be minimal.

Pros/Cons

A nexus would be desirable but would add to the costs. CFD application to transportation not currently understood or in existence. CFD’s (like Benefit Assessment Districts) may only be appropriate for small projects or bike and pedestrian infrastructure projects (or transit operations if allowed). Any city can establish a CFD under the Mello-Roos Law. However, it appears that statutes do not currently allow the use of CDFs to fund transit or other transportation programs or projects.