Subject	**Re: HSRA Business Plan**
From	Mark Fenstermaker <mark@pacificpolicygroup.com>
To	Stephanie Moreno <smoreno@gcrcd.org>
Cc	Tasha Newman <tasha@pacificpolicygroup.com>, Stephanie Sierra <Stephanie.Sierra@mcrcd.org>, Nancy Wahl-Scheurich <nancy-wahlscheurich@carcd.org>, Dina <dina@lomaprietarcd.org>
Date	2026-07-08 02:31 PM

Hi Stephanie,

I looked into this a bit and found the statutes, Public Utilities Code § 185033 that outline the process adoption of the business plan. The HSRA Board is the one that ultimately adopts the business plan. The draft plan goes out 60 days prior to approval for public review and comment and is also submitted to the transporation committees and budget committees of the Senate and the Assembly. Those committees may have hearings on the draft plan, but neither the committees nor the Legislature at large have a role in approving the plan.

It looks as if the Assembly Transportation Committee had a hearing on the plan on March 2 and the Senate Transportation Committee on April 27. For the Senate Transportation hearing, the LAO submitted this analysis of the draft plan.

Hope this helps.

BEst,

Mark

On Wed, Jul 8, 2026 at 1:25PM Stephanie Moreno <smoreno@gcrcd.org> wrote:

> Hi, Mark! Do you have a status update on adoption of the draft business plan by the State Legislature? I have it scheduled for our Board to discuss at tomorrow's meeting. Thank you! Stephanie
>
> On 2026-06-22 12:29 PM, Stephanie Moreno wrote:
>
>> Thank you, Mark. Adding Dina Iden to this chain so she can stay updated on the conversation as this could also impact Loma Prieta RCD.
>>
>> Stephanie S, would you schedule this for Legislative Committee evaluation and discussion? If you think it would be worthwhile, we might be able to get someone from CSDA to provide more insight.
>>
>> Nancy, can you tell us which RCDs currently receive a share of property taxes so we can determine how many might be affected by this proposal?
>>
>> **Discussion:**
>>
>> NSCRCD receives a share of property taxes from within our District boundaries. Over the last 10 years, those revenues have grown by an average of 6.8% (see attached). That growth, generated under the AB 8 allocation system, is a primary unrestricted revenue source and supports the fixed costs necessary to provide conservation services to our constituents. My concern isn't with losing existing property tax revenues, but with the potential diversion of future growth in those revenues through HSRA-sponsored Enhanced Infrastructure Financing Districts (EIFDs) or similar value capture mechanisms.
>>
>> HSRA's Business Plan discusses pursuing legislation to allow it to establish and participate in EIFDs and other mechanisms intended to capture future tax increment (i.e, property tax growth) based on the assumption that HSR investments will increase property values. Depending on how the EIFDs are structured, the cumulative effect over time could be substantial for NSCRCD. Since the line appears to run through other RCDs as well, this may have broader implications statewide if those RCDs also receive a share of local property taxes.
>>
>> While the Business Plan suggests that local tax increment would only be captured voluntarily from participating agencies and references Opportunity Zones within one mile of stations, I do not read that as necessarily limiting the scope of future value capture mechanisms or providing assurance that the Legislature will require the consent of affected special districts before future tax increment generated within their districts is pledged to HSRA.

My understanding is that EIFDs were created as a mechanism following the dissolution of redevelopment agencies and were intended to preserve tax increment financing as a locally driven tool while adding guardrails to address some of the problems experienced under redevelopment. One lesson from redevelopment is that these mechanisms can have very long-term effects on the property tax revenues available to special districts. In fact, the redevelopment revenues shown on our spreadsheet (attached) represent tax increment that was once captured and is now flowing back to our District through the successor agency process; those revenues will eventually return to the normal AB 8 allocation system.

The irony is that HSR investments are likely to increase development pressures and create additional needs related to watershed health, wildfire resilience, habitat conservation, and agricultural land stewardship within RCD service areas. Those are exactly the kinds of impacts RCDs exist to address. To me, that argues that the resulting growth in property tax revenues should remain available to the local districts and communities experiencing those impacts, rather than being diverted elsewhere.

CSDA has expressed concern about HSRA's business plan, including potential constitutional issues; here is the link to their comment letter.

Thank you! Stephanie M.

On 2026-06-19 04:23 PM, Mark Fenstermaker wrote:

> Hi Stephanie,
>
> This is the first I'm hearing of it. Can you explain what the impact will be?
>
> Mark Fenstermaker
> Principal, Pacific Policy Group
> Cell: (916) 798-8088
> 1121 L Street, Suite 700
> Sacramento, CA 95814
>
> On Fri, Jun 19, 2026 at 10:56 AM Stephanie Moreno <smoreno@gcrcd.org> wrote:
>
>> Mark and Tasha - Have you heard anything about this? It could potentially be a significant issue for NSCRCD and any other RCDs located on the route. Stephanie
>>
>> -------- Original Message --------
>>
>> **Subject:** Re: HSRA Business Plan
>> **Date:** 2026-06-19 10:51 AM
>> **From:** Stephanie Moreno <smoreno@gcrcd.org>
>> **To:** Colleen Haley <colleenh@csda.net>
>>
>> Thank you, Colleen! I had not heard about this, and will check it out. Our District can not afford to lose any of our tax base without compromising our ability to deliver our current level of services. Stephanie
>>
>> ---
>> Sincerely,
>>
>> Ms. Stephanie Moreno, District Manager
>> **North Santa Clara Resource Conservation District (NSCRCD)**
>> formerly the Guadalupe-Coyote RCD
>> *An independent special district of the State of California*
>> 888 N. 1st Street, Suite 204, San Jose, CA 95112
>> www.rcdsantaclara.org
>> smoreno@gcrcd.org
>> 831-235-1799 Cell

On 2026-06-19 08:26 AM, Colleen Haley wrote:

Hi Stephanie,

I wanted to make sure you saw this post that the High Speed Rail Authority (HSRA) has finalized its Business Plan calling for, among other things, to use a portion of the tax increment funding of local government entities that are located within a half of mile or so of proposed High Speed Rail stations. According to our teams research, your district could be impacted by this proposal if it is passed by the legislature, which it must do in order for it to be valid. Also, even though the HSRA says it will ask the local government agencies to volunteer their tax increment funding, we believe that they may have ways to influence that decision. CSDA will continue to track this issue as we have done from the beginning and send updates. In the meantime, we recommend that you speak with your legislative delegation if you do not want them to vote in favor of the HSRA's Business Plan. Please let me know if you have any questions.

Thank you,

Colleen

Colleen Haley

Bay Area Public Affairs Field Coordinator

California Special Districts Association

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