

Date of Hearing: June 23, 2026

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, AND TOURISM

Christopher M. Ward, Chair

SB 226 (Cabaldon) – As Amended June 11, 2026

SENATE VOTE:

SUBJECT: Infrastructure revitalization financing districts

SUMMARY: SB 226 amends existing state law on Infrastructure Revitalization Financing Districts (IRFDs) to specify that the acquisition, construction, or repair of commercial or industrial structures for private use, which are considered facilities or projects of communitywide significance, would include entertainment or sports facilities.

EXISTING LAW:

- 1) Allows a district to finance the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies certain requirements, as specified, planning and design work that is directly related to the purchase, construction, expansion, improvement, rehabilitation, or seismic retrofit of that property, and the costs described in Government Code Sections 53369.6 and 53369.31. The facilities need not be physically located within the boundaries of the district. A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind. (Government Code Section (GOV) 53369.3)
- 2) Allows a district to finance only facilities or projects of communitywide significance, including, but not limited to, any of the following (GOV 53369.3):
 - a) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.
 - b) Sewage treatment and water reclamation plants and interceptor pipes.
 - c) Facilities and watershed lands used for the collection and treatment of water for urban uses.
 - d) Flood management, including levees, bypasses, dams, retention basins, and drainage channels.
 - e) Child care facilities.
 - f) Libraries.
 - g) Parks, recreational facilities, open space, and habitat restoration.
 - h) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.

- i) Brownfields restoration and other environmental mitigation.
 - j) Purchase of land and property for development purposes and related site improvements.
 - k) Acquisition, construction, or repair of housing for rental or purchase, including multipurpose facilities.
 - l) Acquisition, construction, or repair of commercial or industrial structures for private use.
 - m) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.
- 3) Specifies that any district that constructs dwelling units must set aside not less than 20% of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined by Section 50053 of the Health and Safety Code, to persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code (GOV 53369.3).
 - 4) Allows a district to utilize any powers under the Polanco Redevelopment Act (Article 12.5 commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that act (GOV 53369.3).
 - 5) Allows a district to finance any project that implements a sustainable communities strategy prepared pursuant to Section 65080 (GOV 53369.3).

FISCAL EFFECT: None. This measure was keyed non-fiscal by Legislative Counsel

COMMENTS:

- 1) Author's statement. According to the author, "The City of West Sacramento has emerged as one of the jurisdictions in California effectively using infrastructure financing districts and similar tools to drive development. When putting together large revitalization and infrastructure projects representing hundreds of millions or billions of dollars in investments, certainty matters. By making this straightforward clarification to existing law, any ambiguity would be removed, providing legal certainty to local agencies. Importantly, the major economic development opportunities utilizing IRFDs and the like, generate jobs and revitalize communities without burdening taxpayers or general fund resources."
- 2) Background. IRFDs were authorized under AB 229 (Pérez, Chapter 775, Statutes of 2014) with the primary purpose of giving local governments tools and resources to fund public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation. To that end, IRFDs are authorized to undertake and finance specified activities to meet those goals. IRFDs are formed through an approval process that is subject to a vote of qualified electors, requires a 2/3s vote in favor of creating the district, and have a maximum term of 40 years. In comparison to other types of financing districts, IRFDs are unique in that they allow for the acquisition, construction, or repair of commercial structures for private use, without conditions that would apply to funding by an Enhanced Infrastructure Refinancing District (EIFDs).

IRFDs may use two sources of funds. The first is property tax increment generated by properties within the boundaries of the district that is voluntarily dedicated by participating taxing agencies. The second is eligible distributions to the sponsoring jurisdiction's Redevelopment Property Tax Trust Fund after all legal obligations from that revenue have been made.

- 3) Potential impacts of a new sports and entertainment facility. Sutter Health Park, home of the Sacramento River Cats and temporary home of the Major League Baseball Athletics, has been an important aspect associated with two decades of investment and redevelopment of West Sacramento. Since opening in 2000, the ballpark has served as the primary anchor of the city's riverfront revitalization strategy, transforming what was once a largely industrial waterfront into the mixed-use Bridge District. City officials have credited the stadium with attracting housing, restaurants, entertainment venues, and other private investment to the riverfront, while helping secure infrastructure funding and economic development opportunities that may not otherwise have occurred. Of note, the original ballpark was privately financed and did not require direct taxpayer funding for construction.

The facility has generated substantial indirect economic benefits through adjacent development and increased visitor activity. The Bridge District now encompasses a significant concentration of residential, commercial, and entertainment uses, with city planning documents envisioning up to 12.5 million square feet of development at full buildout. Local businesses have reported that game-day activity serves as an important driver of customer traffic, and city leaders have consistently described the ballpark as a catalyst for ongoing investment in the surrounding district.

Of note, when comparing revenue that the City of West Sacramento received in the form of sales tax, transient occupancy tax, and City parking revenues associated with the 2025 combined A's/River Cats season vs. the 2024 River Cats-only season, the city saw a net increase of \$872,814 (51%) in revenue associated with the stadium and the surround area in 2025.

Using an IRFD to potentially build or renovate an entertainment and sports facility could potentially attract or allow for the expansion of a new Major League Baseball team, which would further expand the economic activity generated by the riverfront district by supporting additional mixed-use development, increasing tourism and visitor spending, and enhancing the region's national profile.

- 4) Arguments in support. According to the City of West Sacramento in support, "IRFDs are a valuable tool for local governments seeking to finance major infrastructure and economic development projects without relying on General Fund resources. SB 226 offers a straightforward clarification that entertainment and sports facilities qualify as commercial or industrial structures eligible for IRFD financing, providing greater certainty to local agencies, investors, and financing partners.

"For communities pursuing transformative projects, certainty in state law is critical. Ambiguity regarding project eligibility can create unnecessary risk, delay investment, and hinder economic development opportunities. By clearly affirming the eligibility of entertainment and sports facilities, SB 226 strengthens a financing mechanism that helps local governments leverage future tax increment generated by development to fund projects of communitywide significance... It is also important to note that SB 226 does not expand

taxing authority or require the use of public funds. Rather, it simply provides needed statutory clarity that will support responsible local economic development efforts throughout California.”

- 5) Double-referral. Should the bill pass from this committee, it will be re-referred to the Assembly Committee on Local Government.
- 6) Prior and related legislation:
 - a) AB 304 (Arreguín), Chapter 578, Statutes of 2025, lifted the granting statute and public trust doctrine use restrictions on certain lands in Jack London Square until February 1, 2066, and requires the Port of Oakland (Port) to make specified findings in a public meeting in order to lease these lands for nontrust uses, among other provisions, as provided.
 - b) AB 1191 (Bonta), Chapter 752, Statutes of 2019, enacted the Oakland Waterfront Sports and Mixed-Use Project, Waterfront Access, Environmental Justice, and Revitalization Act which authorized the State Lands Commission to approve an exchange at the Howard Terminal Property, approve a Ballpark and Public Lands Development on the final trust lands under specified conditions, and placed specified requirements on the San Francisco Bay Conservation and Development Commission regarding the Seaport Plan and permitting of the development.
 - c) AB 734 (Bonta), Chapter 959, Statutes of 2018, established special procedures for California Environmental Quality Act (CEQA) review, additional conditions for certification, and expedited (270 day) judicial review for a proposed baseball park and mixed-use development in the City of Oakland.
 - d) AB 987 (Kamlager-Dove), Chapter 961, Statutes of 2018, established special procedures for CEQA review, additional conditions for certification, and expedited (270 day) judicial review for a proposed basketball arena and related development in the City of Inglewood.
 - e) AB 229 (Pérez), Chapter 775, Statutes of 2014, created IRFDs modeled after infrastructure financing districts (IFDs). The bill authorized military base reuse authorities to form districts and allowed these districts to finance a broader range of projects and facilities to clean-up and develop former military bases.

REGISTERED SUPPORT / OPPOSITION:

Support

City of West Sacramento

Opposition

None on file.

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