



2018-2019

LEAGUE OFFICERS

President

Janet Arbuckle
*Council Member,
Grass Valley*

First Vice President

Randon Lane
Mayor Pro Tem, Murrieta

Second Vice President

John F. Dunbar
Mayor, Yountville

Immediate Past President

Rich Garbarino
*Vice Mayor,
South San Francisco*

Executive Director

Carolyn M. Coleman

June 24, 2019

The Honorable David Chiu
Chair, Assembly Committee on Housing and Community Development
State Capitol, Room 4112
Sacramento, CA 95814

**RE: SB 5 (Beall/McGuire/Portantino) Affordable Housing and Community
Development Investment Program
Notice of SUPPORT (As Amended 6/17/2019)**

Dear Assembly Member Chiu:

The League of California Cities is pleased to support SB 5 (Beall/McGuire/Portantino), which would create the Affordable Housing and Community Development Investment Program. This measure would incentivize cities throughout California to identify innovative solutions to address the housing crisis while also supporting other State policy objectives. SB 5 recognizes the diversity of California cities and acknowledges the flexibility cities need to spur housing construction and revitalize communities.

Since the elimination of redevelopment agencies in 2011, the Legislature has created several new tools that use tax increment financing, which include the formation of enhanced infrastructure financing districts (EIFD), affordable housing authorities, and community revitalization investment authorities (CRIA). While these new tools can be useful to local agencies, they are widely viewed as lacking sufficient financial capacity compared to what existed under former redevelopment agencies. The limited funding has resulted in few cities taking advantage of these new tools.

SB 5 would create a local-State partnership to provide up to \$2 billion annually to fund State approved affordable housing, infrastructure, and economic development projects that also support State policies to reduce greenhouse gas emissions, expand transit oriented development (TOD), address poverty, and revitalize neighborhoods.

With a multi-billion dollar State budget surplus for the 2019/2020 fiscal year, the League believes the time is right for the State to restore more robust financing mechanisms that support local efforts to build more affordable housing, provide essential infrastructure, and create opportunities in underserved communities.

For the reasons stated above, the League of California Cities strongly supports SB 5. If you have any questions, please feel free to contact me at (916) 658-8264.

Sincerely,

Jason Rhine
Assistant Legislative Director

cc. The Honorable Jim Beall, Mike McGuire, and Anthony Portantino
 The Honorable Richard Roth, Principal Coauthor
 The Honorable Anna Caballero, Ben Hueso, Henry Stern, Scott Wiener, and
 Kevin Mullin, Coauthors
 Members, Assembly Committee on Housing and Community Development
 Lisa Engel, Chief Consultant, Assembly Committee on Housing and Community
 Development
 William Weber, Consultant, Assembly Republican Caucus