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August 7, 2019

The Honorable Jim Beall  
California State Senate  
State Capitol Building, Room 2082  
Sacramento, CA 95814

The Honorable Mike McGuire  
California State Senate  
State Capitol Building, Room 5061  
Sacramento, CA 95814

**RE: SB 5 (BEALL/MCGUIRE) LOCAL-STATE SUSTAINABLE INVESTMENT  
INCENTIVE PROGRAM  
NOTICE OF SUPPORT (AS INTRODUCED 12/03/2018)**

Dear Senator Beall and Senator McGuire:

The City of Corona supports your SB 5 (Beall/McGuire), the Local-State Sustainable Investment Incentive Program.

The elimination of redevelopment in 2011 created a huge deficit in community revitalization resources throughout California, including an annual loss of \$1 billion in funding for low- and moderate-income housing.

SB 5 provides the opportunities for communities to access additional tax increment revenues to fund affordable housing, infrastructure, and economic development projects that advance state and local priorities, including reducing greenhouse gas emissions, expanding transit-oriented development (TOD), addressing poverty, and revitalizing neighborhoods.

The City of Corona commends you for recognizing the diversity of California cities and acknowledging the need for flexible funding to spur housing construction and revitalize communities.

SB 5 is much different than the abolished redevelopment program. The legislation contains strong accountability provisions to ensure funds are only spent on designated projects and to protect school funding, including:

- SB 5 creates the Affordable Housing and Community Development Investment Committee empowered with strong state oversight to approve or reject all projects proposed by local governments.
- Cities must use funding for state identified priority projects including building affordable housing; promoting infill, transit-oriented development; and addressing climate change. Cities have discretion for developing plans to use funding for these priorities.
- Cities and counties must submit annual spending reports to the Legislature.

- SB 5 creates a cap on funds available at \$200 million annually beginning in 2020 and \$250 million annually after 2025. After the program is ramped up, total annual general fund spending cannot exceed \$2 billion annually.
- The Legislature can suspend new plans during fiscal downturns.
- SB 5 provides state resources to ensure funding for schools and community colleges are not impacted. SB 5 requires that at least one member of the Affordable Housing and Community Development Investment Committee have an education finance background.

The time is right for the state to fill the void left by the elimination of redevelopment and provide more tools to support local efforts to build more affordable housing, provide essential infrastructure, and create opportunities in underserved communities. The City of Corona applauds your leadership in this effort to give cities the tools they need to improve their communities.

For these reasons, the City of Corona **supports SB 5** (Beall/McGuire).

Sincerely,

Jason Scott  
Mayor  
City of Corona

cc: Senator Richard Roth, Senate District 31  
Assembly Member Sabrina Cervantes, District 60  
Erin Sasse, Regional Public Affairs Manager, Riverside County [esasse@cacities.org](mailto:esasse@cacities.org)  
Meg Desmond, League of California Cities, [cityletters@cacities.org](mailto:cityletters@cacities.org)