



the Committee votes in favor of supporting the measure, the item will be reviewed by the Executive Board for final approval.

Jennifer expressed concerns when faced between increased insurance rates and tax increases for residents. Gustavo stated many cities still have insufficient information about the measure and additional information is needed to reach a final decision. As no decision was reached, Gustavo decided to hold further discussion and resume during the next convening.

b. Joint Legislative Committee - Executive Board Meeting

Gustavo Camacho invited members to participate in the Joint Committee Meeting in January. Staff reviewed the agenda and priorities for the Sacramento Legislative Tour emphasized that Legislative Committee members will lead small group meetings with legislators. Members are encouraged not to schedule conflicting meetings during scheduled programs.

III. Informational Item

a. 2020 Legislative Platform

Staff presented minor changes made to the 2020 Legislative Platform. A condensed version of the platform will be provided during the Sacramento Legislative Tour in January 2020 where they will advocate for legislation affecting member cities. Gustavo emphasized the importance of remaining concise and consistent during the small group meetings.

b. 2020 First Half Legislative Calendar

Meeting calendar was reviewed, the second half of the calendar will be available after the Annual Municipal Seminar (AMS).

IV. Other Discussion Items

V. Adjournment: December 11, 2019 at 3:54 PM



Action Items

I. [SB 795 - “Building Affordable and Inclusive Communities” \(Senator Jim Beall\)](#)

Additional Documents: [Fact Sheet \(pdf\)](#)

Staff Recommendation: *Support*

Status: *Referred to Senate Governance and Finance Committee, Housing, and Education*

Summary: SB 5 has been reintroduced as SB 795. This bill allows local governments to collaborate on state-approved redevelopment plans, which would be funded through contributions to local Education Revenue Augmentation Funds (ERAFs). The bill would establish an Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. Funding can be used for the following five purposes: affordable housing, transit-oriented development, infill development, revitalizing and restoring neighborhoods, and planning for projects that mitigate the effects of climate change. The funding mechanism will allow local governments that have opted-in and have an approved project plan to use local property tax. This bill will commit up to \$2 billion in ongoing state funding, a substantial increase from the \$200 million contributed over a 9-year span.

Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the ERAF in that county for allocation to specified educational entities. The bill would authorize certain local agencies to establish an affordable housing and community development investment agency and authorize an agency to apply for funding under the program and issue bonds, as provided, to carry out a project under the program. Among other things, the bill would require that an applicant certify that a skilled and trained workforce, as defined, will be used to complete the project if the plan is approved, except as specified.

Comments: The Association previously supported SB 795’s predecessor, SB 5. This bill provides a financial tool that was eliminated in 2012, due in part by the great recession and the negative perception of how ERAF left schools without new funding. However, the state established enhanced infrastructure financing districts (EIFD), which would allow cities and counties a new form of tax-increment financing to collaborate on certain community projects. However, the EIFD’s do not provide sufficient financing resources, such tax-increments from ERAF, to support financing costly community projects. Moreover, policies, such as the current LA County Board policy, limit the Board’s consideration of projects only when cities share of property tax increment equal a minimum of 15 cents for every dollar captured in an EIFD project. This severely limits two-third of cities in LA County from pursuing EIFD projects.

SB 795 will return a new form of tax-increment financing to allow local governments more flexibility and financing to address the ongoing housing crisis.