

**SPUR**

San Francisco | San Jose | Oakland

May 12, 2019

Assemblymember David Chiu
Capitol Office, Room 4112
Sacramento, CA 94249

RE: AB 11 (Chiu): Affordable Housing and Infrastructure Agencies – SUPPORT

Dear Assemblymember Chiu:

SPUR supports Assembly Bill 11, which authorizes cities, counties and other districts to create affordable housing and infrastructure agencies, similar to California’s former redevelopment agencies.

SPUR (San Francisco Bay Area Planning and Urban Research Association) is a member-supported nonprofit organization that promotes good planning and good government. We bring people together from across the political spectrum to develop solutions to the big problems our cities face. With offices in San Francisco, San Jose and Oakland, we are recognized as a leading civic planning organization and are respected for our independent and holistic approach to urban issues.

SPUR supports giving localities tools to spur investment in places that need it. Redevelopment was one of those tools. When Governor Jerry Brown proposed to abolish redevelopment agencies, SPUR supported reforms rather than the eradication of redevelopment tools. Redevelopment agencies had the capacity to help steer both private and future public dollars to urban areas in need of investment, enabling economic growth and physical improvements to occur.

Like former redevelopment, AB 11 allows these new affordable housing and infrastructure agencies to capture and bond against future additional growth in property taxes (“tax increment”), and it gives these entities eminent domain powers. This bill goes beyond existing Enhanced Infrastructure Financing Districts by capturing the school district’s portion of tax increment and promising state general fund dollars to backfill any lost funding to school districts. AB 11 would authorize the agency to issue bonds to finance affordable housing and infrastructure projects and would authorize the city, county or special district to loan money to the agency for certain purposes.

AB 11 also puts in place safeguards to protect against some of the redevelopment abuses of the past, and it focuses the agencies’ investment on affordable housing and infrastructure. AB 11

SAN FRANCISCO

654 Mission Street
San Francisco, CA 94105
(415) 781-8726

SAN JOSE

76 South First Street
San Jose, CA 95113
(408) 638-0083

OAKLAND

1544 Broadway
Oakland, CA 94612
(510) 827-1900

spur.org

would require that at least 30 percent of funding going to the affordable housing and infrastructure agency would be dedicated to the creation, improvement and preservation of low- and moderate-income housing. Many other infrastructure uses are eligible, including streets and road infrastructure, water, sewer and solid waste infrastructure, public facilities, child care centers and libraries, park and recreation facilities, open space and transit priority projects.

While SPUR is in favor of giving localities tools to spur investment and economic growth and this bill does not provide as much power to do so as the old redevelopment model, SPUR sees AB 11 as a step in the right direction. Over time, AB 11 would create a significant source of funding for affordable housing and infrastructure needs. It is an optional tool for cities and counties and other entities, and recent amendments to AB 11 ensure that school districts and community college districts would see no net fiscal impact. AB 11 must also pass through funding to other affected taxing entities to keep them whole, and it caps state general fund exposure at an as-yet-undetermined limit. While AB 11 is not a new source of funding, it is an important commitment from the state general fund toward important affordable housing and infrastructure needs across the state.

Please let me know if you have any questions. Thank you for your work to make California a place where more people can afford a high quality of life.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alicia John-Baptiste', with a long horizontal stroke extending to the right.

Alicia John-Baptiste
President & CEO