



SPUR

San Francisco | San Jose | Oakland

May 12, 2019

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

RE: SB 5 (Beall): Affordable Housing and Community Development Investment Program – SUPPORT

Dear Senator Beall,

SPUR supports Senate Bill 5, which would create an Affordable Housing and Community Development Investment Program housed at the state. SB 5 is structured to make significant affordable housing and community development dollars available immediately.

This state program would review and approve local governments and other particular entities' investment applications, up to \$200 million per year from 2020 to 2025 and up to \$250 million per year from 2025 to 2029. Since each allocation could be a multi-year investment, up to 30 years for each project, that means the amount of general fund dollars that could be committed could reach \$2 billion annually.

Fifty percent of the funding overall and 50 percent of a given local agency's funding would be required to be spent on affordable housing. The rest of the funding could be invested in transit-oriented development, infill development infrastructure, support for local community planning and protecting communities from the effects of sea level rise.

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.

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The mechanics of SB 5 would require the county auditor to transfer funds from its Education Revenue Augmentation Fund (ERAF) to the applying entity, and the state would backfill ERAF dollars with state general fund money. The bill also includes language ensuring that school districts and community college districts would see no net fiscal impact.

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 SB 5 as a step in the right direction. SB 5 would immediately direct state funding toward affordable housing and infrastructure/community development needs. And while SB 5 is not a new source of funding, it is an important commitment from the state general fund toward important affordable housing and community development 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