

February 13, 2014

Assemblymember Roger Dickinson
State Capitol, Room 2013
Sacramento, CA 95814

Re: AB 243 - SUPPORT

Dear Assemblymember Dickinson:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to promoting job growth, economic expansion, and preserving the overall global competitiveness of California and Los Angeles County, I am pleased to offer our support for Assembly Bill (AB) 243 (Dickinson).

As a long-time advocate for Infrastructure Finance District (IFD) law¹ reform, the LAEDC believes that AB 243, a measure that would create an Infrastructure and Revitalization Financing District (IRFD) program, achieves the primary community development- and economic development-related objectives of IFD law reform by:

- 1) Eliminating some of the IFD law's most restrictive provisions to enable and accelerate the development, financing and delivery of critical public infrastructure projects necessary to fuel a strong, globally competitive and growing economy; and
- 2) Affording underserved communities with a much-needed community development tool, after the cancellation of Redevelopment Agencies (RDA), to create jobs, reduce blight and invigorate entire neighborhoods.

IFDs in their current form provide an opportunity for local governments to fund public infrastructure (such as highways, transit facilities, and libraries) by using bond proceeds that are repaid through property tax increment. While IFDs have been authorized in statute since 1990, overly complex and onerous barriers (such as the requirement of two-thirds voter approval for both the creation of and the issuance of bonds tied to an IFD) have prevented their full utilization. Though several efforts have been made to apply IFDs to specific local areas—such as San Francisco with AB 1199 (Ammiano) in 2010 and San Diego with SB 207 (Peace) in 1999—only a handful of critical infrastructure projects have been delivered using this statutory authority in over 20 years. This is truly unfortunate, since while our state's local infrastructure demands are extremely large, our state and local public capital supplies are remarkably small.

Specifically, AB 243's Infrastructure and Revitalization District program ameliorates some of the aforementioned restrictive provisions of the current IFD law that have for too long hampered our ability to finance and deliver critical public infrastructure projects, including:

- Reducing the two-thirds vote requirement associated with forming an IRFD and issuing IRFD-related bonds to 55%;
- Extending the life of an IRFD from 30 years to 40 years, which increases an IRFD's bonding capacity;
- Removing the prohibition against an IRFD including any portion of a redevelopment project area;
- Allowing IRFDs to be established in former military bases without voter approval;
- Authorizing IRFDs to implement hazardous cleanup (Polanco Redevelopment Act); and
- Expanding the types of projects that can be included in an IRFD.

¹ Government Code 53395

With the elimination of RDAs, local governments are in desperate need of additional tools to help finance and deliver much-needed infrastructure throughout the State of California. Accordingly, we thank you for your leadership on this issue, and we want to urge your Assembly and Senate colleagues to support AB 243—a commonsense bill that aims to help local governments positively transform their communities.

Sincerely,

A handwritten signature in black ink that reads "Bill Allen". The signature is written in a cursive, flowing style.

Bill Allen, President & CEO
Los Angeles County Economic Development Corporation