



August 18, 2018

**Senator Ben Allen
California State Senate, SD 26
Re: SB 961**

Dear Senator Allen:

We support SB 961 because the tax increment generated in Neighborhood Infill Finance and Transit Improvement (NIFTI-2) Districts can become an important funding source for local governments to use to improve neighborhoods near transit and make them attractive places where people will want to live and where investors will want to invest.

We especially support the dedication of 40% of the tax increment for housing near transit for low- and very-low-income residents and people who are homeless. Prioritizing construction of this housing is appropriate given the shortage of affordable housing in our communities and the recognition that low-income residents are far more likely to become frequent transit users.

We also support the dedication of 10% of the tax increment for urban greening and active transportation, with the remaining 50% to be used for transit capital, first-last-mile connections, and other neighborhood improvements. Let's make California neighborhoods more transit-oriented, leafy-green, walkable and bikeable so that they are cooler places in which to live and so we can limit air pollution and GHG emissions.

Transportation improvements are key to making these new and improved neighborhoods transit-oriented and more affordable, and should include bus rapid transit, shaded bus stops, bike lanes, better and wider sidewalks, and/or new rail stations that can serve as an anchor for activity and development and provide a source of neighborhood vitality.

California needs to recognize that these investments can encourage community development along many of the underutilized commercial corridors that thread through California's towns and cities, and which are often served by high-frequency transit. These corridors typically fall below the radar of housing developers and might not attract any development at all if investments are not made to show off their potential as transit-oriented neighborhoods that are mixed-income and mixed-use. Such corridors can be especially significant opportunities if a transit operator develops high-frequency BRT service there.

Including both affordable and market-rate housing to achieve a mix of incomes is essential to this "community-re-development-type" strategy. Market rate housing will help ensure that the tax increment increases so that it can be bonded against to generate the funding that's needed to make the improvements and to support the development of local retail and services.

We support SB 961's proposal that bonding against the tax increment in NIFTI-2 districts be permitted without voter approval. Bonding against the increment is an essential element of any enhanced infrastructure financing district (EIFD) program because it enables near-term investment in neighborhood improvements, thereby helping to attract developer interest in places that may otherwise not appear to be welcoming investment.

Thank you for continuing to push the boundaries of these EIFD "redevelopment" tools so that cities can focus investments in the right things in the right places.

Denny Zane

Move LA

Cesar Diaz

*State Building & Construction
Trades Council of California*

Ron Miller

*Los Angeles/Orange Counties Building
& Construction Trades Council*

Stephanie Wang

California Housing Partnership Corporation

Andrew Gross

Thomas Safran Associates

Carter Rubin

National Resources Defense Council

Alan Greenlee

*Southern California Association
of Non-Profit Housing*

Brian Augusta

California Rural Legal Assistance Foundation

Tracy Hernandez

Los Angeles County Business Federation

Bryn Lindblad

Climate Resolve

Bill Magavern

Coalition for Clean Air

Hilary Norton

Fixing Angelenos Stuck in Traffic

Larry Gross

Coalition for Economic Survival

Michael Dieden

Creative Housing Associates

Lisa Hershey

Housing California

Patricia Hoffman

Santa Monica's For Renters Rights

Tony Salazar

McCormack Baron Salazar

William Allen

*Los Angeles County Economic
Development Corporation*

Anya Lawler

Western Center on Law and Poverty

Josh Stark

Transform

Will Wright

*American Institute of Architects
– Los Angeles*

Chuck Mills

California ReLeaf