



City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

July 10, 2018

The Honorable Ben Allen
California State Assembly, District 26
State Capital, Room 5072
Sacramento, CA 95814

RE: Senate Bill No. 961
NOTICE OF SUPPORT

Dear Senator Allen,

On behalf of the City of Hermosa Beach, I am writing to strongly support your proposed legislation, Senate Bill 961, to allow local jurisdictions to create Neighborhood Infill Finance and Transit Improvements-2 (NIFTI-2) districts. This bill would add to the list of tax increment financing options available to local governments under California's Enhanced Infrastructure Financing District (EIFD) laws, which would create significant new local revenue streams to fund affordable housing and other needed improvements near rail transit stations and along commercial corridors served by rail and bus. SB 961 is especially responsive to our critical need for affordable housing near transit, since it requires at least 40% of tax increment funds be used for development of housing affordable to households with incomes below 60% of area median income.

Ever since redevelopment agencies were abolished in 2011 local governments have struggled to find reliable funding sources to invest in neighborhood improvements, infrastructure and, especially, affordable housing. Meantime, investments facilitating access to transit have become increasingly important as residents and businesses struggle with traffic congestion and air pollution, cities endeavor to expand transit service, and we all must take responsibility for reducing GHG emissions.

In communities all over California there is a need for mixed-use mixed-income transit-oriented neighborhoods that are walkable, desirable, and affordable places in which to live. SB 961 could help create these neighborhoods because eligible uses of funding include: additional affordable housing projects; better rail stations and bus stops and programs supporting transit ridership; better first-last-mile access including improvements to sidewalks, crosswalks and bike lanes; urban greening, urban forestry and parks; and detached and/or decoupled parking structures in lieu of onsite parking for proposed developments—which would further reduce the cost of building housing and could help take parking off the street to create, for example, room for bus rapid transit. Detached parking also allows public decision-making to better control the supply of parking, and would add another revenue stream.

The key to NIFTI-2's success could be the language making it possible to issue bonds backed by the NIFTI-2 tax increment without requiring voter approval, which will substantially increase the likelihood that these financing districts will be more widely implemented than previous versions, which require the approval of voters.

The City of Hermosa Beach appreciates your leadership on this issue and affirms its support of Senate Bill 961. We believe this bill will enable local governments and private sector to work together to create mixed-use, mixed-income, transit-oriented neighborhoods with both market-rate and deed-restricted affordable housing. Should you have any questions or would like follow-up information on this matter, please contact our Assistant to the City Manager Nico De Anda-Scaia at ndeanda@hermosabch.org or 310-318-0201.

Sincerely,

Jeff Duclos, Mayor
City of Hermosa Beach



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cc: Senator Ben Allen, Author, California 26th District
Executive Director Denny Zane, Bill Sponsor, MoveLA
Governor Jerry Brown, State of California