



California Association for Local Economic Development

May 10, 2018

The Honorable Assemblymember Sharon Quirk-Silva
Chair of the Assembly Committee on Jobs, Economic Development, and the Economy
State Capitol, California State Assembly
Sacramento, CA, 95814

RE: Support AB 1547

Dear Assemblymember Sharon Quirk-Silva,

The California Association for Local Economic Development (CALED) is tremendously pleased to support AB 1547. Thank you for your leadership in introducing AB 1547 – a bill aimed at helping California businesses by making several changes for economic development financing programs operated by the State Treasurer’s Office. One of those changes is to eliminate the California Industrial Development Financing Advisory Commission (CIDFAC).

Currently, CIDFAC creates a barrier that disincentives small manufacturers to expand in California. This is contrary to California’s message that we want to encourage manufacturers to invest and grow here. Local issuers have expressed that CIDFAC is problematic because it requires manufacturers to be subjected to a duplicative review process and adds a .25% fee to the principal amount of bonds issued (e.g. a \$10 million issued bond incurs a \$25,000 fee). This ultimately reduces manufacturers’ interest in Industrial Development Bonds (IDBs).

The elimination of CIDFAC creates streamlined access to capital, via IDBs, for California manufacturers to expand. This change makes the process more efficient for manufacturers to apply for IDBs. It also significantly reduces the fees associated with the process, while ensuring projects still meet a public benefit requirement. We applaud you and California Treasurer John Chiang for addressing and championing this issue. By making the IDB program more accessible to manufacturers, it helps them finance land, equipment and buildings at a lower cost – often making it possible for manufacturers to create permanent homes for their businesses in California. Finally, better access to financing can encourage growth & revitalization of manufacturing in California.

With over 800 members practicing economic development in California, CALED is the voice for the profession and is invested in keeping California competitive nationally and globally. CALED thanks you for your leadership and we strongly support AB 1547.

Sincerely,

Gurbax Sahota
President & CEO

The California Association for Local Economic Development (CALED) is the premier statewide professional economic development organization dedicated to advancing its members’ ability to achieve excellence in delivering economic development services to their communities and business clients.