

Governor Signs SB 780 (Cortese)

CALED's Bill Improving Economic Development Financing Tools

On September 28, 2021, Governor Newsom signed [SB 780 \(Cortese\)](#) into law. CALED sponsored this bill based on input from economic development practitioners on how to improve California's economic development financing tools. Dee Dee Myers, Senior Advisor and Director of the Governor's Office of Business and Economic Development stated, *"California's local agencies have long used tax increment financing tools, and this bill provides needed clarifications to improve their utilization. Tools like Enhanced Infrastructure Finance Districts (EIFDs) and Community Revitalization Investment Authorities (CRIAs) are often used to help spur the development of affordable housing and community public infrastructure projects. The Governor's Office of Business and Economic Development (GO-Biz) is especially proud to work with the California Association of Local Economic Development (CALED) who led the effort on SB 780 so that our local agencies can invest in their communities using these revitalized tools."*

Since the elimination of redevelopment agencies in 2011, the Legislature enacted several tax increment financing tools to support infrastructure, economic development and affordable housing in local communities. Improvements to two of these tools, EIFD and CRIA, were needed to facilitate their use for infrastructure, economic development, revitalization, and affordable housing objectives. We are grateful to Senator Cortese for authoring this thoughtful, practitioner-informed legislation that streamlines EIFDs and CRIAs.

Senator Cortese said the following about SB 780: *"The need for creative ways to raise money for local development projects is greater than ever. The COVID-19 pandemic imposed immense pressure on local governments that were already financially unstable, and the housing crisis has left local governments scrambling for solutions to get affordable housing projects funded. Therefore, the revitalization of these economic development tools is well overdue."*

CALED President and CEO Gurbax Sahota shared, *"On behalf of hundreds of economic developers across our state, the California Association for Local Economic Development thanks Governor Newsom for signing SB 780 and Senator Cortese for his thoughtful leadership in listening to practitioner solutions for growing local economies by authoring SB 780. This legislation, which improves EIFDs and CRIAs, gives California communities more effective tax increment financing tools for economic development, infrastructure, and affordable housing projects – critical investments needed in order to create a better future for our residents."*

Thank you to CALED's Strategic Legislative Advisor Daniel Carrigg, the Economic Development Finance and Real Estate Committee, the Legislative Advocacy Committee, and the Board of Directors & Advisors for their engagement on this bill.