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California Association for Local Economic Development

April 25, 2022

The Honorable Dr. Joaquin Arambula
State Capitol, Ste. 6240
Sacramento, CA 95814

Dear Assembly Member Arambula:

The California Association for Local Economic Development (CALED), an organization representing over 800 public and private local economic development professionals, is pleased to **Support** your AB 2780, As Amended March 24, 2022, which allows local jurisdictions that have resolved their past redevelopment dissolution issues to form an Enhanced Infrastructure Financing District (EIFD). Currently, these agencies are permanently banned from such formation because they failed to obtain a state finding of completing by December 31, 2015.

CALED agrees it is time to move forward. Through redevelopment dissolution, the state was seeking to quickly disband agencies and harvest cash. When disputes occurred over contracts, debts and other issues, local governments had the difficult choice to either capitulate to state demands or protect their rights to have issues resolved by a neutral judge.

On September 11, 2015, at the end of the Legislative Session, 77 pages of new RDA-Dissolution amendments appeared in a budget trailer bill, SB 107. Since the three-day-print law was not in effect, this bill quickly passed the Assembly Floor without a committee hearing and was approved by the Senate the same day. SB 107 contained a provision designed to give the state even more negotiation leverage; it stated that if local agencies were not granted a finding of completion by December 31, 2015, they would never be able to get one. These were obviously very difficult times for cities and counties; and with a three-month window, some communities failed to meet the deadline.

But all this is in the past, and we should focus on building back better. AB 2780 is about allowing communities and their residents to move forward. It makes little sense to punitively ban access to tax increment tools when the affected communities have now resolved the underlying dissolution issues. Moreover, these tools are about assisting residents, and the leadership in many communities has turned over.

CALED agrees that if a local agency has now settled its past RDA dissolution issues, they and their residents shouldn't be penalized forever for missing a deadline. For these reasons, CALED is pleased to **Support** AB 2780. Thank you for your consideration. Please feel free to contact me at 916-448-8252, with any questions.

Sincerely,

Gurbax Sahota
President & CEO

cc: Chair and Members Assembly Local Government Committee