

CALED's Legislative Advocacy Policies & 2023-2024 Policy Guidelines

Amended January 18, 2024

**Originally Adopted January 17, 2023*



California Association for Local Economic Development



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. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.

CALED is a 501(c)(6) exempt entity for federal and state tax purposes. Organizations described in IRC 501(c)(6) may engage in an unlimited amount of lobbying, provided that the lobbying is related to the organization's exempt purpose.

We believe advocacy is an important activity that helps us deliver on our mission. The following Legislative Advocacy Policies and Policy Guidelines are approved by the CALED Board of Directors to provide guidance for the effective representation of our members.

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Legislative Advocacy Policies

Legislative Guiding Principles:

The California Association for Local Economic Development (CALED) is a professional membership association composed of local municipalities, local economic development agencies and organizations, private economic development organizations, banks, utilities, and individuals who have the common goal of developing and maintaining a healthy economic climate within our state; one that benefits all Californians. As the leading professional economic development association in the State, CALED is dedicated to establishing an environment that encourages economic development by promoting and encouraging resilient, sustainable growth that creates economic opportunities, jobs, and wealth within California through:

- Supporting business retention and expansion such as;
 - Business recruitment;
 - Business start-up and innovation development;
- Providing effective business-friendly support and technical assistance by local, state, and private agencies and organizations;
- Advising on statewide regulations that may impact CALED members' economic development goals;
- Advocating for tools to move economic development projects from idea stage to project completion;
- Identifying creative and innovative ways to leverage both private and public financing opportunities.

Action Advisory Council Objectives

Because CALED is the premier statewide professional association of economic development professionals and can play an important role in influencing the legislative process, it has established an Action Advisory Council (AAC) to:

- Provide input on existing legislation or recommend new legislation that will encourage economic development and sustainable growth as well as identify legislation, laws, rules, or regulations that hinder the economic development efforts of our membership;
- Provide our membership with information on pending legislation that may impact their economic development efforts;
- Provide an educational voice to elected officials on what economic development is, how it works in cities and private companies, and how it assists the State of California.

Approach to Updating Policy Guidelines and Taking Legislative Positions:

CALED's ability to undertake advocacy initiatives on behalf of our members must be strategic, with an understanding that we cannot take on every issue. To be effective and judicious with our resources, we will engage on issues that have a significant impact, positive or negative, on the majority of our



members or on economic development as a profession. The Policy Guidelines adopted by the CALED Board from time to time will serve as a key document in driving our advocacy work and positions.

Every two years, the AAC will propose to the Board of Directors recommendations to review and update the Policy Guidelines to reflect any new CALED policy positions taken in the prior legislative session.

To assist the Board regarding emerging issues, the AAC will periodically highlight issues that it determines CALED should consider reviewing or focusing upon during the Legislative year. These recommendations would be composed of areas which the AAC, in discussions with key stakeholders, feels Legislators will be addressing in the coming year as well as new or changing conditions affecting economic development which CALED should consider addressing.

The areas will be broad, such as: job training; project development; workforce development; economic development land use regulations; tax increment financing programs; regulations that have to do with CEQA; as well as planning, air, wastewater, and water quality.

To better focus its efforts and enable CALED to respond more quickly to introduced and amended legislation, the AAC will review new and amended pieces of legislation that are not already addressed by existing policy. For those issues that are already covered under CALED's existing policies, CALED's President and CEO may adopt a position and propose amendments consistent with those policies. CALED's President and CEO will exercise appropriate discretion with this authority. The President and CEO will update the Board of Directors at regular meetings on any positions taken and bring items to the Board when needed to reconfirm, expand, or alter an existing policy.

Board actions on policies include the following items:

- Work with President and CEO to identify for discussion and potential revision existing CALED policies;
- Consider establishing policies in anticipation of new and emerging issues;
- Review legislation related to issues not already approved in the Policy Guidelines and recommend one of five positions while providing guidance on what changes to include in the Policy Guidelines should this issue arise again:
 - Monitor;
 - Support;
 - Support if Amended;
 - Oppose; and
 - Oppose, Unless Amended.

When CALED's President and CEO takes a new position based on existing policy, or for any recommendations made by the AAC, a written explanation of the reasons for the position taken shall be provided as part of the update to the Board of Directors.

Once a position on a piece of legislation is taken by CALED, the President and CEO has the authority to send a letter on behalf of CALED to the appropriate legislator(s) as well as notification to the entire



membership. In addition, CALED staff, Board members, CALED members, or professional advocates may contact legislators and or testify at any public hearing in support of our position as directed by the President and CEO.

If a bill changes significantly or a new bill is introduced that is not already covered by CALED's existing policy, and impacts CALED or its members between meetings of the CALED Executive Committee, the President & CEO or CALED staff will send an email with the update along with a recommended action to the Executive Committee. If Executive Committee members do not comment or object to the recommended action within 24 hours, the President & CEO will take the action recommend in the email. If within those 24 hours, an Executive Committee member opposes the recommended action or believes it needs further discussion, the CALED Chair may call a meeting of the Executive Committee to get consensus on the issue.

If the AAC changes positions on legislation or takes a new position on legislation under the guidelines outlined above, the legislation will be brought to the attention of the Executive Committee at the next regular meeting.

CALED has a diverse membership with representatives from the public sector, private sector, financial institutions, education organizations, utilities, nonprofits, and others such as workforce development boards. CALED's primary membership is composed of small cities to the largest in the State, from economic development corporations serving a county to an agency serving multi-jurisdictions, and organizations that serve one part of the State to the whole State of California. Therefore, CALED recognizes that there may be legislation that pertains to only one aspect of our membership. We will attempt to be supportive of these as the circumstances and our capacity allow, but the purpose of the AAC is to focus on the big picture of economic development, placing the State of California in a position of being proactive, more competitive, and supportive of business.

CALED also recognizes the need to work in partnership with groups that may take the lead on other legislative issues so that CALED can continue to focus on economic development issues of the highest importance to its members.

Criteria to Evaluate Legislation:

The AAC will use the following points as criteria in the evaluation of legislation:

- Do existing Board-approved Policy Guidelines already include direction/guidance on this issue?
- Does the legislation have the potential for the retention and creation of jobs?
- Does the legislation have the potential to hinder the private sector in the retention or creation of jobs?
- Does the legislation present hurdles or potential hurdles that will hurt projects?
- Does the legislation have the potential to help California be competitive with other states or hinder California's competitiveness with other states?



- Does the legislation add unnecessary regulations which will hurt or have the potential to hurt local jurisdictions in encouraging and assisting the development of businesses?
- Does the legislation add regulations and/or costs that will hurt/hinder the private sector in the development of new or expanded businesses?
- Does the legislation undermine local economic development efforts including those of cities, counties, and districts?

Action Advisory Council (AAC) Composition:

CALED's Board of Directors has approved the creation of the AAC to serve as an advisory group to the President & CEO. CALED's President and CEO leads the AAC to ensure consistency and a wholistic, strategic perspective as it relates to our education and advocacy activities. The AAC is limited to the following members and the terms for each position:

- CALED's President & CEO is primary decision-maker and convener of the AAC. The President and CEO is the only member of the AAC authorized to take positions and share official statements on behalf of CALED.
- A strategic legislative advisor with advocacy experience will provide insights and practical advice to the AAC. This position could be a consultant with significant advocacy experience or a current registered lobbyist. The term of their service would be defined in their independent contractor agreement with CALED.
- An attorney with technical experience regarding economic development and local government financing tools would assist in reviewing language and issues as appropriate. This position could be an attorney under contract with CALED or a current CALED member volunteer. If under contract, the term of their service would be defined in their independent contractor agreement with CALED. If the attorney is volunteering their time, their support is based upon their ability to contribute.
- A CALED Board liaison may also serve on the AAC and will be appointed through a process identified by the CALED Board of Directors. The Board liaison will share a practitioner perspective in policy discussions and will assist in providing reports to the CALED Board of Directors during regular Board Meetings. Their term of service is renewed annually through action of the Board of Directors.

At no time will members of the AAC speak on behalf of the CALED Board of Directors or CALED's President and CEO unless authorized to do so in writing by the President and CEO. Additionally, the President and CEO can increase the size of the AAC to add expertise and perspectives needed to complete the Council's work if it is within the budget adopted by the CALED Board.



Members are appointed by the President & CEO with the advice and consent of the Board. Members may be compensated at the discretion of the Board. Reasonable Expenses of members will be reimbursed upon approval of the president & CEO.

Members serve at the pleasure of the President & CEO and may be removed at any time, with or without cause, by the President & CEO with the advice and consent of the Board.

Action Advisory Council (AAC) Meetings

The President & CEO will call meetings as needed to deliver the organizations' policy and advocacy goals.



Updated 2023-2024 Policy Guidelines

The CALED Board of Directors approves policy guidelines in key areas impacting local economic development tools, resources, and project development opportunities. These guidelines are based on past legislative positions¹, as well as consideration of the current legislative environment, and the needs of our members. These guidelines were updated January 18, 2024. They fall under the following broad categories:

Brownfield Remediation

California Competes

Community Development Block Grants (CDBG) For Non-Entitlement Communities

Community Revitalization Investment Authorities (CRIA)

Enhanced Infrastructure Financing Districts (EIFD)

Infrastructure Finance Districts (IFD)

Local Property Acquisition and Other Economic Development Activities

Manufacturing

Measures Limiting Local Authority

New Market Tax Credits for California

New Technologies

Opportunity Zones

Property and Business Improvement Districts

Private Activity Bonds

Railroads

Regional Economic Competitiveness

State and Federal Business Assistance Programs

State and Federal Oversight and Regulations

¹ These policy guidelines represent an effort to capture where CALED has been as an organization on legislative policy issues important to the organization over the last decade. It is based entirely upon previous adopted positions by the CALED Board on legislation and policy matters. Establishing these policies as a foundation will enable CALED, as it becomes more active legislatively, to quickly respond (Support, Oppose, Express Concerns, Request Amendments, etc.) to pending legislation on issues already addressed by existing policy. This will also allow CALED's committees and board to better focus their limited time on developing new policy on emerging issues and drafting proposed legislation. It is CALED's intent that the board will review and update this document every two years, at the end of each two-year legislative cycle, to reflect any necessary refinements, or additions based upon new or revised policies or positions adopted by CALED's Board.



Tax Increment Financing

Warehouses and Logistics Facilities

Workforce Development

*Emerging Issues



Brownfield Remediation

- CALED supports tools and programs to clean up hazardous waste and revitalization of brownfields and other blighted properties. Since the elimination of redevelopment local agencies have fewer resources available to remediate affected properties.²³
- CALED opposes increases to existing remediation standards for the clean-up of contaminated property that fail to consider its proposed use. Remediation standards must maintain flexibility for site-specific, decision-making to balance economic development while protecting the public's well-being.⁴
- CALED opposes the adoption of stringent vapor intrusion standards by state agencies which lack adequate analysis of California-specific conditions and fail to incorporate how these criteria would limit the advancement of other state and local policy priorities including promoting infill (as opposed to greenfield) development.⁵

California Competes

- CALED supports the Governor's Office of Business and Economic Development (GO-Biz) California Competes program which offers tax credits and grants to attract and retain high quality jobs in California.⁶⁷⁸
- CALED expressed concerns with proposed elements of the award selection process which would have allowed the California Competes Tax Committee members to ask questions of business applicants outside of review criteria. CALED stated that such questions would be unfair to applicants and could create the perception of subjective decision making based upon unstated criteria, or the expectation that an applicant must disclose sensitive or confidential information.⁹

² In 2016, CALED supported SB 820 (Hertzberg) which extended the sunset date on the California Land Use and Revitalization Act (CLRRA), which provides immunity and for innocent and prospective landowners via entering an agreement with the state to clean up property.

³ In 2015, CALED sent a lengthy letter, dated January 26, 2015, to the State Water Board encouraging the allocation of funding to remediate brownfields. Included in that letter, under the heading "Why Brownfields Matter to Us" is the following statement: "The redevelopment of brownfields is a key component to economic development in our communities. Reuse of these sites promotes business expansion and job creation, tax revenue from new economic activity, and improvement of the business and community climate."

⁴ In 2017, CALED sent a letter, dated January 31, 2017, to the Dept. of Toxic Substances Control expressing concerns about proposed changes to regulations on toxicity criteria.

⁵ In 2020, CALED sent a letter to the CalEPA Secretary, dated May 20, 2020, encouraging a postponement in the advancement of a proposed more stringent vapor intrusion standard, and supporting the need for more public input, California-specific data, analysis on the impact on infill development, and other matters. In 2023, CALED sent a letter dated January 30, 2023, to the Director of GO-Biz, Secretary of CalEPA, and Chair of the State Water Resources Control Board urging their consideration of the impacts on infill development of establishing a vapor intrusion standard that is thirty times more stringent than existing standards. CALED's CEO participated in a related call with the CalEPA Secretary.

⁶ In 2013, CALED offered extensive recommendations on regulations establishing the initial program, with a focus on how communities of all sizes could work with their business to compete for these credits, and way to orient the program to achieve the most economic development impact in California. See CALED's letter to GO-Biz Director Kish Rajan, dated December 19, 2013.

⁷ In 2018, CALED supported, in a letter dated April 19, 2018, a budget proposal to reauthorize the California Competes program at \$180 million annually.

⁸ In 2021, CALED sent a letter to budget committee members, dated February 1, 2021, supporting continued funding for the Cal Competes tax credit program, as well as the proposed grant program.

⁹ In 2018, CALED raised these concerns to a letter to the Assembly Budget Chair, dated May 31, 2018. The final version of the legislation, SB 855 (Budget), included language which provided that the applicant was not required to disclose information they considered a trade secret, confidential, privileged, or otherwise exempt from disclosure under the Public Records Act.



Community Development Block Grants (CDBG) For Non-Entitlement Communities

- CALED supports a clear, objective, and user-friendly program for allocating the economic development portions of federal Community Development Block Grants (CDBG) to non-entitlement communities in California to further both local and national objectives.
- CALED supports improvements to the state operation of the CDBG program that would make it easier for communities to access these funds.¹⁰¹¹
- CALED is concerned with state proposals that would divert CDBG resources away from local agencies to finance other programs.¹²

Community Revitalization Investment Authorities (CRIA)

- CALED supports improvements to the process and procedures associated with developing and operating a CRIA and opposes legislation that would limit the use of CRIs by imposing burdensome requirements.¹³¹⁴

Enhanced Infrastructure Financing Districts (EIFD)

- CALED supports improving the process and procedures associated with developing and operating an EIFD.¹⁵¹⁶¹⁷¹⁸¹⁹

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¹⁰ In 2013, CALED developed a set of specific recommendations that would address the operation and staffing of this program by the Department of Housing and Community Development (HCD). See CALED's document titled "CDBG Non-Entitlement Community Concerns & Potential Solutions," dated September 24, 2013.

¹¹ During the pandemic, CALED spent extensive time lobbying various administrative officials and legislators to get HCD to release federal pandemic relief funds to non-entitlement jurisdictions.

¹² In 2021, CALED raised concerns with AB 880 (Aguiar-Curry) which proposed to fund a new program to finance affordable housing and disaster response program with \$200 million in General Fund dollars, with the intent that the funds would be later "backfilled" with federal CDBG-DR (disaster recovery) funds that would otherwise be allocated directly to local agencies experiencing a disaster. This bill, and a subsequent bill in 2022, AB 1945 (Aguiar-Curry) died in the Legislature.

¹³ In 2013, CALED supported AB 1080 (Alejo), the original proposed CRIA bill, maintaining that it "filled a void" among various proposed tax increment tools that were pending in the Legislature at the time, due to its focus on addressing deteriorated conditions in poorer neighborhoods. While the legislation failed, and then again as AB 2280 (Alejo) in 2014, it was ultimately signed by the Governor as AB 2 (Alejo) of 2015. CALED supported all efforts to enact this law.

¹⁴ In 2021, CALED sponsored and supported the passage of SB 780 (Cortese), which included numerous improvements to EIFDs and CRIs. Among the improvements for CRIs were expanding areas where one could be established and correcting problems with the protest process that had raised concerns with bond counsel.

¹⁵ In 2015, CALED supported AB 313 (Atkins) which contained helpful cleanup to Sen. Beall's SB 628 of 2014, which enacted EIFD statute.

¹⁶ In 2018, CALED sponsored SB 1145 (Leyva) which enabled EIFDs to finance (with revenues other than from the proceeds of bonds) ongoing or capitalized maintenance costs on facilities financed in whole or in part by an EIFD. This bill was signed by the Governor.

¹⁷ In 2019, CALED sponsored SB 128 (Beall), which eliminated the 55% vote requirement associated with issuing EIFD bonds. This issue was later addressed in a budget trailer bill, AB 116 (Ting). SB 128 was used by the author for another purpose.

¹⁸ In 2019, CALED supported AB 116 (Ting), including in a letter to the Governor dated September 24, 2019, which removed the vote requirement for issuing bonds in an EIFD. This was also in a 2019 Governor's budget proposal supported by CALED.

¹⁹ In 2021, CALED sponsored and supported the passage of SB 780 (Cortese), which included numerous improvements to EIFDs and CRIs. Among the improvements for EIFDs were improvements and clarifications to public notice provisions, allowing for project areas, and clarifying the process for amending plans.



- CALED opposes legislation that would limit the flexibility of EIFDs to address infrastructure and economic development purposes tailored to respond to unique community needs.²⁰
- CALED supports the existing option within EIFDs to develop affordable housing but opposes any effort to mandate EIFDs to provide affordable housing.²¹
- CALED supports legislation that would make the EIFD, Neighborhood Infill Finance, and Transit Improvements (NIFTI) Acts tools more flexible and useful to local agencies.
- CALED is concerned with the potential political ramifications associated with authorizing broad use of eminent domain for EIFDs given prior controversies over the use of this tool by RDAs. Any authority should be narrowly tailored with guardrails to avoid future abuses by individual agencies which could lead to increased legislative scrutiny, oversight, and limitations for the EIFD tool.²²
- CALED supports legislation to lift the statutory ban on certain cities to form an EIFD if post-RDA disputes with the Department of Finance are now resolved.²³
- CALED supports the use of former redevelopment bonds to further their original intended purpose.²⁴

Infrastructure Finance Districts (IFD)

- CALED supports improvements to the process and procedures associated with developing and operating an IFD and opposes legislation that would limit the use and authority of existing IFDs.²⁵

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²⁰ In 2020, CALED opposed SB 1389 (Allen) which sought to drastically recast EIFDs into “Public Investment Authorities” with new criteria, option for state reviews, and mandates, including a 25% affordable housing set-aside, which would apply to existing and future EIFDs. Among CALED’s arguments against the bill is that EIFDs were specifically intended to address “infrastructure,” and that the Legislature had created other tax increment tools such as CRIAs and Affordable Housing Authorities which could be tailored to meet other objectives.

²¹ See CALED’s position on SB 1389 (Allen) of 2020, outlined in the prior footnote.

²² In 2020 and 2021, CALED raised concerns over proposed amendments to SB 696 (Allen) which would grant eminent domain authority to EIFDs.

²³ In 2022, CALED supported AB 2780 (Arambula), which initially applied to all agencies, then was later narrowed to apply to the City of Selma.

²⁴ In 2013, CALED supported AB 981 (Bloom) which would allow redevelopment agency bonds issued before June 28, 2011, (the date legislation was enacted eliminating RDAs) to be used for their intended purpose. This measure died in the Legislature.

²⁵ In 2013, CALED supported early versions of AB 690 (Campos) which would have modified and expanded the authority of IFDs, by lowering the voting threshold from two-thirds to 55%, authorizing hazardous cleanup and joint powers agreements with taxing entities with regards to non-taxing authority. The tool would have been recast as Jobs and Infrastructure Financing Districts (JIFDs). CALED offered various technical edits including to address concerns that any change does not impact existing IFDs. This bill failed to move forward and was later used by the author for another purpose.



Local Property Acquisition and Other Economic Development Activities

- CALED supports the authority for local agencies to acquire and dispose of properties for economic development purposes, and any necessary changes to the law to clarify this authority.^{26,27}
- CALED opposes legislation and regulatory interpretations which limit the disposal authority of local agencies on properties which were acquired to further local economic development efforts.²⁸
- CALED opposes legislation that would expand the state Surplus Land Act in manner which further undermines local agency's ability to dispose of or lease property.²⁹
- CALED recognizes the existing disclosure thresholds on local agency economic development activity, required by GASB 77³⁰ and AB 562³¹ of 2013, but opposes imposing additional burdensome limitations and disclosures on specific industries, or the disclosure of confidential, proprietary information or trade secrets.
- CALED supports funds to assist local agencies remove litter and graffiti which have detrimental impacts on tourism and economic development.³²

Manufacturing

- CALED supports additional resources and assistance to support manufacturers within California including those offered through the federal Hollings Manufacturing Extension Partnership (MEP) program.³³

²⁶ In 2016, CALED supported AB 806 (Dodd), which made several clarifying and helpful changes to Economic Opportunity Law, which was originally enacted by SB 470 (Wright) in 2013.

²⁷ In 2023, CALED sponsored comprehensive reforms to the Surplus Land Act (SLA) to address numerous concerns identified by local governments, including proposed clarifications stating that properties acquired and disposed under State Economic Opportunity Law were not subject to the SLA. This legislation was the subject of significant legislative attention during the session, including serving as a counterpoint to AB 480. Ultimately, a compromise was reached that was reflected in the final versions of SB 747 and AB 480. CALED hosted a webinar for its members on changes to the SLA from these and other bills from the 2023 Session. CALED's Primer on 2023 SLA legislation is posted online.

²⁸ In 2020, CALED sent a letter to the HCD Director, dated December 4, 2020, raising concerns with pending guidelines under development interpreting the Surplus Land Act (SLA). CALED requested that the guidelines clarify that properties acquired for purpose of economic development under SB 470 (Wright)/AB 806 (Dodd) are not subject to the SLA. HCD's guidelines were later released with no mention or recognition of these laws.

²⁹ In 2022, CALED led opposition against both AB 2357 (Ting) and SB 361 (Umberg) which proposed to further limit local authority under the SLA. Both bills failed to pass the Legislature. In 2023, CALED led opposition against AB 480 (Ting), which was proposed as a reintroduction of AB 2357 (Ting) of the prior year; AB 480 was later amended at the end of Session to reflect negotiated changes and incorporate provisions of SB 747 (Caballero). CALED also opposed SB 34 (Umberg), which imposed additional limitations on the disposal of surplus property by the cities within Orange County and the County of Orange.

³⁰ In August 2015, the Governmental Accounting Standards Board (GASB) released statement 77, covering tax abatement disclosures. This standard requires state and local governments for the first time to disclose information about tax abatement agreements for reporting periods beginning after December 15, 2015.

³¹ While CALED originally opposed this legislation in 2013, it was signed into law, and requires local agencies to provide various public disclosures prior to granting an economic development subsidy of more than \$100,000, and issue follow up reports within five years.

³² In 2021, CALED supported an Administration budget proposal to support state and local beautification litter/graffiti removal projects. CALED's letter, of June 8, 2021, also encouraged clarification that rural communities have access to these funds.

³³ In 2016, CALED wrote a letter to the Department of Commerce National Institute of Standards and Technology, dated February 10, 2016, supporting an application by California Manufacturing Technology Consulting to offer MEP services to California manufacturers.



- CALED supports improvements to governmental financing programs that improve access to capital for manufacturers.³⁴
- CALED supports programs, including the Capital Investment Incentive Program, that provide local agencies options and tools to attract, retain and expand manufacturing in their communities.³⁵
- CALED believes that tools and financial assistance provided by local agencies to manufacturers should be negotiated locally at the option of the local agency, not imposed by state mandate.³⁶

Measures Limiting Local Authority

- CALED will review and consider taking a position on ballot measures that create fiscal harm to cities, counties and special districts (when these measures are also opposed by the League, CSAC, and Special Districts Associations) and further restrict local government's ability to levy taxes and fees, consistent with existing Constitutional authority, which provide financial support for delivery of local services, infrastructure improvements, economic development and address other important community issues and needs.³⁷
- CALED opposes legislation which would limit the authority of local agencies to contract for services.³⁸
- CALED opposes legislation that would ban residential and commercial development in specific areas.³⁹

New Market Tax Credits for California

- CALED supports the creation of a state New Markets Tax Credit to spur private investment in small businesses, real estate projects and community facilities.⁴⁰

³⁴ In 2018, CALED sponsored AB 1547 (Quirk-Silva), letter dated May 10, 2018, which made several changes to economic development financing programs operated by the State Treasurer, including improving access to capital by eliminating the California Industrial Development Financing Commission and its additional fee that was added to industrial development bonds which made this financing unattractive to manufacturers.

³⁵ In 2019, CALED supported AB 1248 (E. Garcia), in a letter dated April 22, 2019, which enabled a local agency to grant a property tax reduction to manufacturing facilities investing more than \$5 million in their jurisdiction in exchange for an agreement for the manufacturer to spend a portion of the rebated money to fund local programs and services. This bill was amended to address a different issue and died in the Legislature.

³⁶ In 2022, CALED reviewed AB 1951 (Grayson), with proposed to exempt the sales of manufacturing products from local sales taxes, with an annual financial impact on local governments estimated by the California Department of Tax and Fee Administration at \$533 million. CALED opted to stay Neutral given the mandatory, rather than optional approach, and the major fiscal impacts on local agencies.

³⁷ In 2018, CALED, in a letter dated May 16, 2018, joined with the League of California Cities, California Association of Counties, and California Special Districts Association in opposing the *Tax Fairness, Transparency, and Governmental Accountability Act of 2018*, which imposed various limitations on local government's abilities to impose general revenues and levy fees. This measure was later dropped by the sponsors as part of a legislative deal to limit additional local taxes on soda products for 12 years.

³⁸ In 2017, CALED opposed AB 1250 (Jones-Sawyer) which would have eliminated most city and county authority to contract for services. This bill died in the Legislature.

³⁹ In 2020, CALED opposed SB 474 (Stern), letter dated July 2, 2020, which proposed a complete ban of residential and commercial development in Very High Fire Hazard Severity Zones. This bill died in the Legislature.

⁴⁰ In 2014, CALED supported AB 1399 (Medina), which proposed to establish a California New Markets Tax Credit Program. In 2015, CALED also supported AB 185 (E. Garcia and Medina). AB 1399 was vetoed by the Governor, and AB 185 died in the Legislature.



New Technologies

- CALED supports enhancing and retaining California's economic competitiveness in the development and use of advanced air mobility as an emerging technology that will generate economic opportunities for communities, residents, and related businesses. CALED supports the inclusion of local governments and public and private stakeholders in policy development discussions over how to transition this new technology into existing operations, systems, and practices.⁴¹

Opportunity Zones

- CALED supports improvements to the benefits of the federal Opportunity Zone program in California, by aligning California's tax code to conform with deferred and reduced capital gains incentives in the federal OZ program.⁴²

Property and Business Improvement Districts

- CALED supports legislation that improves the functioning of Property and Business Improvement Districts (PBIDs) for the purpose of furthering economic development.⁴³

Private Activity Bonds

- CALED opposes efforts to eliminate the tax advantages that have historically be offered by the federal government for Private Activity Bonds, which have been used by state and local governments to catalyze investment in business industry, and infrastructure for over 100 years. Elimination of this program would have significant impact on economic development in California.⁴⁴
- CALED supports increasing the maximum size limit for Industrial Development Bonds (IDBs) for small-and-medium sized manufacturers from \$10 to \$30 million, and increasing the limitation on small issue bond proceeds for first-time farmers.⁴⁵

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⁴¹ CALED reviewed and established new policy to support SB 800 (Caballero), in a letter dated May 05, 2023, which established an advisory committee on advanced air mobility at CalTrans. This emerging technology revolves around electrical-powered vertical take-off and landing aircraft. Several California-based companies are leading this field, with FAA certification expected within several years. The advisory committee will establish a three-year workplan and make recommendations on changes to state laws and local infrastructure necessary to incorporate this new technology.

⁴² In 2019, CALED sent a letter, dated May 21, 2019, supporting the Governor's proposal to align California's tax code to match federal OZ incentives for affordable housing and green technology investments. CALED also encouraged expansion of eligible project to include infrastructure, sustainable development, and brownfield remediation. The Legislature did not approve this budget proposal.

⁴³ In 2014, CALED supported AB 2618 (J. Perez) to ensure that PBID law appropriately conformed to Proposition 218 via various changes to definitions in PBID law. This bill was signed by the Governor.

⁴⁴ In 2017, CALED sent a letter to Senator Diane Feinstein, dated November 3, 2017, opposing this proposal in Congress.

⁴⁵ CALED was prepared to send a support letter, dated September 27, 2023, to US House of Representatives Speaker Kevin McCarthy, emphasizing its support for these two aspects of HR 3787, the Modernizing Agriculture and Manufacturing Bonds Act (MAMBA).



Railroads

- CALED supports balanced freight rail policies, given the important role of freight rail as an efficient means of moving goods which supports state and local economies.⁴⁶
- CALED supports the streamlining of federal permit review process affecting rail and transit infrastructure projects without harming the quality of those reviews.⁴⁷

Regional Economic Competitiveness

- CALED supports local efforts to advance regional economic competitiveness.⁴⁸
- CALED is concerned with state legislation or regulations that would attempt to define “regions” for purposes of the state or regional economic development policy, with governance structures that are disconnected and unaccountable to the cities, counties, councils of government and local economic development organizations and practitioners within the geographic region.⁴⁹
- CALED supports implementation of the state California Economic Resilience Fund (CERF) program in a manner which is inclusive of local government and affected industries, leverages the expertise of economic development practitioners, uses existing economic development plans as a foundation for discussion, recognizes and adjusts for the impediments of geographic distances, encourages subregional collaboration around planning and projects, ensure facilitators are viewed as neutral by participants, and require agendas and materials to be publicly posted and offer opportunities for virtual participation and public comment.⁵⁰

State and Federal Business Assistance Programs

- CALED supports programs that assist with small business financing and improve their access to capital.^{51,52}

⁴⁶ In 2017, CALED sent a letter to Congressman John Garamendi, dated February 8, 2017, highlighting the importance of freight rail to state and local economies.

⁴⁷ In 2015, CALED supported and encouraged cosponsors of the federal The Track, Railroad and Infrastructure Network Act, S. 769. Supporting reasons included that railroads are critically important to our state and the nation. Companies and communities depend on them for access to the global marketplace and freight rail is essential to continuing the economic recovery.

⁴⁸ In 2013, CALED sent a letter to the King County Association of Governments supporting a study to advance regional economic competitiveness by improving the flow of goods and services and reducing traffic delays on State Route 198 (SR 198), which runs East from Highway 101 across the Central Valley to Sequoia National Park.

⁴⁹ In 2020, CALED sent a letter of concerns on AB 3205 (Salas), dated May 6, 2020, raising significant concerns with the legislation which proposed to define a “region” as “one governmental agency, one local business, an educational or workforce entity, and one non-profit agency.” This bill was later revised significantly and incorporated CALED’s concerns but died in the Legislature.

⁵⁰ CALED lobbied extensively on these issues during the CERF regulatory development process, including via comment letter submitted on January 18, 2022. Many of these suggestions were included within the regulations, but the implementation of this program requires monitoring.

⁵¹ In 2018, CALED supported, in a letter dated April 19, 2018, a budget proposal to allocate \$20 million for small business support.

⁵² In 2022, CALED sent a letter to the budget committees, dated February 1, 2022, supporting augmentation of funding for the TAEP program, ongoing funding for the Capital Infusion Program, new proposed tax credits for climate innovation, expansion of the IHubs program, and tourism recovery funding. CALED also offered comments related to the CERF program and a proposed programs at GO-Biz to deal with retail theft and immigrant integration.



- CALED supports funding to support assistance to small businesses through the Technical Assistance Expansion Program (TAEP).⁵³⁵⁴
- CALED supports the California Small Business Reserve Loan Guarantee Program, including improvements which expand access to more businesses.⁵⁵
- CALED supports state programs designed to assist businesses identify and resolve issues with state permitting. This function is now housed within GO-Biz.⁵⁶
- CALED supports expansion of the state's New Employment Credit (NEC) (enacted following the elimination of enterprise zones) hiring incentive to make it more useful to employers and support hiring in targeted geographic areas.⁵⁷
- CALED supports the programs offered through the US Economic Development Administration (EDA).⁵⁸
- CALED supports improvements to the Go-Biz' "Made in California" product label program to make it more useful for businesses making products in California.⁵⁹

State and Federal Oversight and Regulations

- CALED opposes legislation that would grant state agencies oversight and approval authority of individual local infrastructure and development projects.⁶⁰
- CALED opposes legislation and regulation that would restrict commercial property owners and tenants negotiate and enforce the terms of leases.⁶¹

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⁵³ In 2022, CALED supported a budget augmentation for the TAEP program.

⁵⁴ In 2021, CALED supported increased funding for the TAEP program, in a letter to Budget Committee members dated June 4, 2021.

⁵⁵ In 2016, CALED supported SB 936 (Hertzberg), which reduced the state's portion of the loan loss reserve to mirror the federal requirements. This bill was signed by the Governor.

⁵⁶ In 2016, CALED supported AB 2605 (Nazarian) which cleaned up various statutory issues associated with the transition of state permit assistance functions from the former Office of Permit Assistance within the former Trade and Commerce Agency, to the Permit and Regulatory Assistance unit within GO-Biz. This legislation was signed by the Governor.

⁵⁷ In 2017, CALED supported SB 661 (Fuller), in a letter dated May 1, 2017, which authorized the New Employment Credits to be used for an expanded list of purposes. This bill died in the Legislature.

⁵⁸ In 2021, CALED sent a letter to Senator Alex Padilla, dated December 10, 2021, supporting the reauthorization of the US EDA, and outlining the benefits to California.

⁵⁹ In 2021, CALED supported SB 808 (Roth) which proposed helpful modifications to the Made in California program. This legislation died in the Legislature. On April 06, 2023, CALED sent a letter supporting AB 628 (Wilson), which proposed similar changes; these changes, however, were ultimately signed into law in AB 127, a budget trailer bill (Section 21).

⁶⁰ In 2013, CALED was part of a broad coalition with the business community in opposition to SB 673 (DeSaulnier) which proposed to prohibit local agencies from advancing infrastructure and development projects which receive more than \$1 million in subsidies without first being subject to an economic analysis by the Governor's Office of Planning and Research (OPR). This proposal did not move forward, and the author later used the bill for another purpose.

⁶¹ In 2016, CALED was part of a coalition with the business community opposing AB 2538 (Nazarian), which proposed to ban "radius restrictions" (an agreement between a retailer with a property owner the retailer will not open another store within a specified distance, usually in exchange for a more favorable rent). This bill died in the Legislature.



- CALED supports changes to the California Environmental Quality Act (CEQA) guidelines that would limit the application of vehicle miles traveled metrics to only apply to transit priority areas. Areas outside of these areas should be subject to traditional level of service criteria.⁶²

Tax Increment Financing

- CALED supports the creation and expansion of tax increment financing and other local economic development tools.^{63 64 65}

Warehouses and Logistics Facilities

- CALED opposes legislation which would increase economic development disclosures for warehouses and logistics facilities which exceed the standards that are applicable to all economic activities under GSAB 77 and AB 562 (Williams) of 2013.^{66 67}
- CALED opposes legislation which would single-out and impose harmful burdens on warehouses and logistic centers such as requiring large buffer zones and requiring (public sector) prevailing wages to be paid to construction workers on these private facilities.⁶⁸

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⁶² In 2022, CALED supported SB 1410 (Caballero), in a letter dated April 25, 2022, which proposed to limit the application of CEQA's VMT (vehicle miles traveled) analysis to transit priority areas, given the costly impacts this analysis was having on housing and other development projects in rural and other areas without adequate access to transit. This bill died in the Assembly Appropriations Committee.

⁶³ In 2019, CALED supported SB 5 (Beall/McGuire) which proposed to expand financing for local tax increment tools with matching state contributions, achieved by reducing local ERAF (Educational Revenue Augmentation Fund) property tax contributions of local agencies which advanced affordable housing, infrastructure, and economic development projects which advanced state policy priorities. This bill was vetoed by the Governor.

⁶⁴ In 2020, CALED supported, in a letter dated March 26, 2020, SB 795 (Beall/McGuire) which would provide matching state funding and access to additional tax increment revenue for local agencies using local tax increment tools to fund affordable housing, infrastructure and economic development projects which advance both state and local priorities. This bill was later expanded to allocate state general fund dollars for these and other purposes but died in the Legislature.

⁶⁵ In 2022, CALED, after obtaining clarifying amendments, supported SB 852 (Dodd) which authorized the creation of local Climate Resilience Districts, which can be formed at the option of local agencies. CALED's signature request letter on the bill is dated August 23, 2022.

⁶⁷ In 2018, CALED joined with other coalition partners in opposing and successfully requesting a veto on AB 2853 (Medina), which proposed requiring additional information to be provided prior to considering a subsidy for a warehouse distribution center. In 2019, CALED opposed AB 485 (Medina), in a letter dated April 11, 2019, which sought to impose additional disclosure and reporting requirements on local agencies considering approving warehouse and logistic centers. AB 485 was signed by the Governor. In a letter dated April 06, 2023, CALED opposed AB 1000 (Reyes), which proposed a 1,000 ft. buffer zone between a warehouse and housing and other "sensitive uses." CALED did not take a position on AB 1748 (Ramos), a proposed "compromise bill" supported by the business community, which imposed siting restrictions for warehouses in Riverside and San Bernardino Counties. CALED sent its analysis of AB 1748, to its members within those counties, and the bill was later held on the Assembly Appropriations file as a two-year bill.

⁶⁸ In 2022, CALED opposed AB 2840 (Reyes), in a letter dated June 13, 2022, which proposed 1,000 ft setbacks and required prevailing wages for construction workers on all new or expanded logistics facilities over 100,000 square feet. This bill was later narrowed to apply to the counties of San Bernardino and Riverside but died in the Legislature.



Workforce Development

- CALED supports programs that advance workforce development. Workforce development and economic development work hand and hand. Expanding and improving the capability to train workers benefits the workforce and the economy.⁶⁹⁷⁰
- CALED supports continued funding for Career Technical Education (CTE) programs in K-12.⁷¹

*Emerging Issues

CALED realizes the need to identify and evaluate emerging issues. This will happen through the process identified in CALED's Legislative Advocacy Policies in which the Action Advisory Council (AAC) will highlight emerging issues that CALED may wish to review or focus upon during the Legislative year for the Board's discussion. The recommendations would be composed of areas which the AAC, in discussions with key stakeholders, feels that Legislators will address in the coming year as well as other economic development areas in which the AAC feels that CALED be aware of.

After reviewing the issues, the Board will give the President and CEO feedback on how to engage with issue should it arise; however, the Policy Guidelines will only be amended to include this issue if CALED takes a position on legislation related to the issue.

For questions regarding these policies and guidelines, please contact CALED staff at 916-448-8252.

⁶⁹ In 2014, CALED supported the federal Workforce Innovation and Opportunity Act, which was signed into law.

⁷⁰ In 2022, CALED supported the Administration's budget proposals to increase training programs for various healthcare jobs, in a letter dated February 21, 2022.

⁷¹ In 2018, CALED signed on to a broad coalition letter with the business community supporting AB 1743 (O'Donnell), dated April 13, 2018, proposing continued funding and other improvements for CET education. This bill later died in the Legislature.