



City Council

Mike Anderson, Mayor
Susan Candell, Vice Mayor
Steven Bliss, Council Member
Cameron Burks, Council Member
Teresa Gerringer, Council Member

The Honorable David Chiu
California State Assembly
State Capitol, Room 4112
Sacramento, CA 95814

August 30, 2019

Re: AB 1487 (Chiu) – San Francisco Bay Area: Housing Development Financing – OPPOSE

Dear Assemblymember Chiu:

On behalf of the City of Lafayette, I am writing to inform you of our opposition to AB 1487 (Chiu), your measure that would establish the Bay Area Housing Finance Authority for the purpose of raising, administering, and allocating funding for affordable housing in the San Francisco Bay Area.

I would like to start by stating unequivocally that the City agrees that new funding is critical to the development of affordable housing. This is especially true in light of the dissolution of redevelopment agencies in 2011, which removed a key source of funding that cities could use to advance housing developments. While we were hopeful that the local stakeholder process undertaken earlier this year would have led to a measure that we could support, there are provisions of the current version bill that we believe are against the best interests of the City and would stall Lafayette's progress in meeting our housing obligations.

Of primary concern is the provision that requires at least 80% of the revenue received through an approved parcel tax or gross receipts tax to be allocated to the county of origin. While we truly appreciate the increase (from the prior level of 75%) in the overall level of funding that returns to the source, we believe that this funding should be returned to the city of origin rather than to the county.

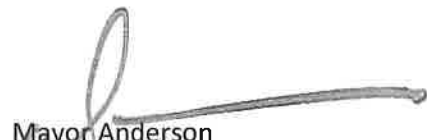
With funding returning to counties for distribution, cities have no assurance that they will receive any level of funding to address the critical affordable housing needs in their communities. With a guaranteed return to source to cities, local municipalities would be able to engage in long-term planning and utilize additional means of financing for local housing projects.

Under the current provisions of AB 1487, Lafayette, a smaller semi-rural city, will find ourselves competing for funding against eighteen neighboring cities in Contra Costa County, the majority of whom have additional staffing and resources with which to compete for funding. The residents and businesses of Lafayette, as well as the other cities in the Bay Area, deserve some level of assurance that if they are going to be paying additional property or gross receipts taxes, the newly generated funding will be used to address the needs within the city, and not be used to fund projects and priorities elsewhere in the county.

Again, I would like to thank you for the many positive changes that have been made to AB 1487, including the removal of the ability to impose a sales tax, the addition of the requirement that ABAG serve as the lead agency related to revenue and expenditure of funds, and the inclusion of a local government grant program for technical assistance, infrastructure needs, and to help address homelessness.

Unfortunately, without the assurance that all cities will directly benefit from the revenue that will be generated, the City of Lafayette must oppose AB 1487.

Sincerely,



Mayor Anderson
City of Lafayette

Cc: Senator Glazer
Assemblymember Bauer-Kahan
Lafayette City Council