SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2021 - 2022 Regular

Bill No:	SB 563	**Hearing Date:**	4/29/2021
Author:	Allen		
Version:	4/13/2021		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Second Neighborhood Infill Finance and Transit Improvements Act: housing developments: homelessness prevention programs: enhanced infrastructure financing plan review and amendment process

DIGEST: This bill makes several changes to the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2).

ANALYSIS:

Existing law:

1) Enacts NIFTI-2 and allows for the formation of a NIFTI-2 district, which can issue bonds to finance affordable housing developments near transit stations without voter approval.

2) Establishes procedures for the adoption of an infrastructure financing plan (plan) for expenditure of funds by the NIFTI-2 district, as specified.

3) Allows a city or county to adopt a resolution to allocate its tax increment funds (TIF) to a NIFTI-2, including sales and use taxes (SUTs) and transactions and use taxes (TUTs), if all of the following apply:

   a) The area to be financed with funds received pursuant to this bill is within one-half mile of a major transit stop, as defined in existing law.
   b) At least 40% of the total funds received by the district to be used for the acquisition, construction, or rehabilitation of housing, including the costs of predevelopment and land acquisition, for households with incomes below 60% of area median income (AMI) for rent or purchase.
   c) Half of the housing funds are used to develop affordable housing for households with incomes between 30% and 60% of AMI, and the remaining half are used for either affordable housing for households with incomes

below 30% of AMI or permanent supportive housing to help persons experiencing homelessness.

d) The infrastructure financing plan gives first priority for occupancy of housing funded through the plan to income-qualified households displaced from the district through no fault of their own, and second priority to households with a member or members employed within two miles of the district.
e) The plan requires that at least 10% of the total funds received by the district be used for investments in the capital costs of parks, urban forestry, or permanent greening improvements along boulevards, streets, or other public areas within a district, or active transportation capital projects, as specified.
f) The boundaries of the EIFD are coterminous with the associated city or county.

4) Allows the remaining TIF to be used for any of the following:

   a) Multi-family affordable housing projects or mixed-use projects with affordable housing and ground floor commercial uses that support infill and compact development.
   b) Transit capital projects, as specified.
   c) Transit-oriented development (TOD) projects, including affordable housing and infrastructure at or near transit stations or connecting those developments to transit stations.
   d) Capital projects that implement local complete streets programs.
   e) Parking, including detached and “decoupled” parking structures that provide parking for residents, businesses, or visitors in lieu of onsite parking for proposed developments.
   f) Other projects or programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled.

5) Requires the NIFTI-2 plan to be reviewed every 10 years, and prohibits revenues that fund the NIFTI-2 from being used for highway or highway interchange improvements.

6) Requires an NIFTI-2 to ensure that any affordable housing units that it funds remain permanently available at affordable housing costs to, and occupied by, very low-income households, persons and families of low-income, or persons and families of low- or moderate-income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units. A city or county cannot terminate a NIFTI-2 district before the district has complied with its affordable housing obligations.

7) Deems projects financed by the NIFTI public works, even if they are built by private developers on private property.

8) Establishes the Homeless Coordinating and Financing Council (HCFC) within the Business, Consumer Services, and Housing Agency, with the purpose of coordinating the state's response to homelessness by utilizing Housing First practices.

9) Establishes the Homeless Emergency Aid Program (HEAP) to provide one-time grant funds to address the immediate homelessness challenges of local cities and counties. HEAP is administered by the HCFC.

10) Establishes the Homeless Housing Assistance and Prevention Program (HHAPP) to build on HEAP and provide funds to help local jurisdictions combat homelessness. HHAPP is also administered by the HCFC.

11) Establishes the California Emergency Solutions and Housing Program (CESH) under the Department of Housing and Community Development (HCD), which funds a variety of activities to help individuals experiencing or at risk of homelessness.

This bill:

1) Requires the infrastructure plan to require at least 20% of the total funds be used for homelessness prevention programs for, or development of housing that is within ½ mile of a major transit stop and affordable to and occupied by households with incomes below 60% and greater than 30% AMI, and at least 20% for those with incomes below 30% AMI, or permanent supportive housing to help homeless persons get off the street.

   a) Defines "homeless prevention programs" as including, but not limited to, rent subsidy programs, eviction defense programs, and code enforcement programs for households with incomes below 60% AMI.
   b) Defines "development of housing" as including predevelopment or land acquisition for, and acquisition, construction, or rehabilitation of housing, including a multifamily affordable housing project or mixed-use projects with only affordable multifamily housing and ground floor commercial, artistic, cultural, or community uses that support infill and compact development.

2) Changes the priority of occupancy for housing to the following:

a) First priority for households who were displaced from the district through no fault to their own within the past 10 years.
b) Secondary priority for households with a member or members who are either employed within two miles of the dwelling unit or live within the district and are children, elderly, or disabled.

3) Provides that any remaining funds outside of the purposes identified in (3) may be used for the following:

    a) Parcels within ½ mile of a major transit stop, located along boulevards or in downtown areas that are zoned for commercial or industrial uses, and in the adjacent sidewalks, boulevards, and downtown streets adjacent to those parcels, any of the following:

        i) Transit capital projects.
        ii) TOD projects, as specified.
        iii) Capital projects that implement complete streets programs.
        iv) Parking.

    b) In any location in the district, any of the following:

        i) Homelessness prevention programs.
        ii) Development of housing affordable to and occupied by households with incomes below 60% of AMI.
        iii) Programs that support enhanced ridership, as specified.
        iv) Programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing car trips and vehicle miles traveled within a community.

4) Provide that every 15 years, instead of 10, after adopting an annual report the NIFTI-2 shall consider whether the landowners and residents within the NIFTI-2 wish to propose amendments to the NIFTI-2 plan.

5) Provides that a project shall not be eligible to receive financing from the NIFTI-2 unless the developer has certified that a skilled and trained workforce will be used to perform all construction work, as specified.

6) Prohibits a city or county from approving a development that will require the demolition of residential dwelling units unless the project will create at least as many residential units a will be demolished.

7) Prohibits a local government from approving a development project within the district that will require the demolition of occupied or vacant protected units unless the project replaces all existing or demolished units, as specified. Any existing residents will be allowed to occupy their units until six months before the start of construction activities with proper notice. The developer shall also agree to provide relocation benefits and a first right of refusal for a comparable unit to any occupants of protected units.

8) Defines "protected units" as units that are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to families of moderate-, lower-, or very low-income; units subject to any form of rent control; units that are or were occupied by moderate-, lower-, or very low-income households; or residential units withdrawn from rent or lease pursuant to the Ellis Act.

9) Provides that the requirements in (7) above do not supersede any locally adopted ordinance on the demolition of the residential dwelling units or the subdivision of rental units that are or do any of the following:

   a) Are more protective of lower- or moderate-income households or more protective of units subject to rent control.
   b) Require the provision of a greater number of units affordable to lower- or moderate-income households.
   c) Require greater relocation assistance to displaced households.

10) Provides that, in addition to any tax revenues allocated by the local government, a NIFTI-2 may also elect to receive the following for use in carrying out the plan:

   a) Funds, real property, or other in-kind resources from private persons, the state, or the federal government.
   b) Real property or other in-kind resources from the local government forming the NIFTI-2 district.

11) Provides that if a city and county or a city and a county jointly form a NIFTI-2, the Strategic Growth Council (SGC) shall disburse state matching funds each year for use in qualifying homeless prevention programs and affordable housing projects, as specified. The matching state funds shall equal ½ of the total amount of tax revenues, real property or other in-kind resources contributed by the city and county or the city and the county to the NIFTI-2 district.

12) Requires a district requesting matching state funds to submit to the SGC one or more plans that include all of the following information:

   a) A description of the proposed program or programs and project or projects to be completed and the funding necessary for each requested.
   b) Information demonstrating that the NIFTI-2 district is or will be entitled to state matching funds in the amounts requested.
   c) Information demonstrating that each program or project complies with all the statutory requirements of this bill.
   d) Information identifying the source of any additional funds necessary to conduct each proposed program or complete each proposed project.
   e) The amount of administrative costs associated with the plan.
   f) Certification that any affordable housing projects that receive funding shall comply with specified labor requirements.
   g) Any further information required by the SGC.

13) Requires the SGC to approve the plans. Requires the SGC within 30 days of receipt of the plan to provide the applicant with a written statement identifying any questions about the plan, as well as an explanation for a denial within 30 days of reaching a decision.

14) Requires the SGC, in consultation with HCFC, to develop guidelines for allocating state matching funds in any year when the funds available is less than the matching funds requested by all NIFTI-2s.

15) Requires each NIFTI-2 district that receives funds to provide an annual report to the SGC that includes all the following information for the prior year:

   a) The amount of funds received.
   b) The purposes for which state funds were used, including number of households served and the number of units constructed, with the number of bedrooms and income levels.
   c) The actions taken to implement each program or project.
   d) The total number of funds expended for planning and general administrative costs.

16) Requires the SGC to establish a corrective plan for noncompliance with an annual report.

17) Requires the SGC to stop transferring funds to the NIFTI-2 district and to prohibit a NIFTI-2 from reapplying for state funds if it is out of compliance with the funding requirements in this bill.

COMMENTS

1) *Author's Statement*. "SB 563 updates and improves upon NIFTI-2, a voluntary tax increment-financing tool to catalyze affordable infill housing near transit. In the wake of redevelopment's dissolution, California created numerous infrastructure-financing instruments, which have yet to catalyze substantial growth. Legislation creating the original NIFTI-2 statute (SB 961, 2018) also required OPR to study and report on the effectiveness of tax increment tools for increasing housing production. OPR's report notes how "limited revenue potential" of increment-financing tools "significantly limits their ability to assist in meeting state housing goals". It recommends the exploration of "ways to potentially leverage existing state programs and funding sources to enable use of [financing] to promote location-efficient development and affordable housing in places where [current increment financing] tools alone may be insufficient. SB 563 incorporates OPR's recommendation, envisioning a role for potential state funding to bolster a shared goal with cities and counties of building infill housing and complimentary infrastructure near transit. It also strengthens NIFTI-2's tenant protections and anti-displacement provisions, ensuring districts augment but not undermine California's affordable housing stock."

2) *Tax increment financing (TIF).* According to OPR, TIF is a mechanism used to fund and finance public facilities and other improvements, often in infill locations where up-front investments are needed to enable real estate development.[1] TIF captures incremental growth in tax revenues (usually property tax, although other types of revenue can also be collected) above and beyond what taxing entities receive within a designated area. TIF revenues are typically used to pay back upfront costs or debt service for bonds issued to fund improvements such as infrastructure and other public facilities that are needed to facilitate private investment. TIF can play an important role in providing funding for affordable housing. Historically, TIF was a financing tool used by local redevelopment agencies (RDAs). While they were active, RDAs enjoyed broad powers and often played a role in encouraging infill and TOD. RDAs were also an important local source of funding for affordable housing, because state law required RDAs to set aside 20% of revenues for that purpose. RDAs were dissolved by the state in 2012, partly due to concerns about how TIF revenues were being used (*ie* not meeting their obligations to fund affordable housing).

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[1] Office of Planning and Research. *Housing Financing Tools and Equitable, Location-Efficient Development in California: Report on the Use of Tax Increment Financing.* (December 29, 2020) https://www.opr.ca.gov/docs/20210203-TIF_Tools_Final_Report.pdf

3) *Alphabet soup: IFDs, EIFDs, IRFDs, CRIA, AHAs, NIFTIs, and NIFTI-2s.* Since the dissolution of RDAs, the Legislature has created several new TIF tools to authorize local governments to raise revenues to finance local infrastructure. Below is a chart summarizing the various available TIF tools.

TIFs + Enabling Legislation	Location Reqs	Rev Sources	Affordable Housing Reqs	Expenditures	Number Created
Infrastructure Financing Districts (IFD), SB 208 (Seymour, Chapter 1575, 1990)	None	Property tax increment	None	Capital improvements only, such as highways, transit, water systems, sewer projects, flood control, childcare facilities, libraries, parks, and solid waste	2
Enhanced Infrastructure Financing Districts (EIFD), SB 628 (Beall, Chapter 785, 2014)	None	Property tax increment, increment from property tax in-lieu of vehicle license fees	None	Purchase, construction, or improvement of real property; can be used for maintenance of public faclities, as specified	5
Infrastructure and Revitalization Financing District (IRFD), AB 229 (Perez, Chapter 775, 2014)	None	Property tax increment	None	Same as IFDs plus watershed lands, flood management, brownfield restoration and other environmental mitigation, purchase of real property, housing acquisition or construction, commercial acquisition or construction, and repayment transfer funds nto a military base reuse authority	0
Community Revitalization and Infrastructure Authority (CRIA), AB 2 (Alejo, Chapter 319, 2015)	Disadvantaged communities, as specified, or an area within a former military base, as specified.	Property tax increment, increment from property tax in-lieu of vehicle license fees	25% for affordable housing	Wide range of capital improvements within its boundaries	0
Affordable Housing Authorities, AB 1598 (Mullin, Chpater 764, 2017)	None	Property tax increment, increment from property tax in-lieu of vehicle license fees, sales and use tax increment	95% for increasing and preserving affordable housing, as specified.	Financing low- and moderate-income housing, including supportive and transitional housing.	0

Neighborhood Infill Finance and Transit Districts (NIFTI), AB 1568 (Bloom, Chapter 562, 2017)	Qualified infill site	Property tax increment, increment from property tax in-lieu of vehicle license fees, sales and use tax increment	20% of revenues for acquisition, rehabilitation or construction of affordable housing; 20% for all housing to be affordable	Wide range of capital improvements and affordable housing	0
Second Neighborhood Infill Finance and Transit Districts (NIFTI-2), SB 961 (Allen, Chapter 559, 2018)	Qualified infill site and within 1/2 mile of a major transit stop	Property tax increment, increment from property tax in-lieu of vehicle license fees, sales and use tax increment	40% of revenues must be spent on affordable housing; 50% of affordable housing funds for households below 60% AMI and 50% for households below 30% AMI		0

4) *OPR reports.* SB 961 (Allen, 2018) required OPR to, on or before January 1, 2021, complete a study and make recommendations on: the effectiveness of TIFs, the relative advantages and disadvantages of different types of TIF tools, and the impacts of extending NIFTI-2s to areas around bus stops, including segregated bus lanes. The first report identified several key limitations current TIF districts share:

   a) They have limited revenue potential to make district formation worthwhile;
   b) Unlike redevelopment where taxing entity participation was mandatory, current TIF districts rely on volunteer participation;
   c) They have limited powers compared to RDAs; and
   d) Some technical challenges interfere with their development.

   The reports found that despite the multitude of TIF tools available for local agencies to choose from, only five EIFDs had been created by the end of 2020, with an additional three under consideration. To overcome these challenges and encourage the creation of more TIF districts, OPR recommended the following:

   a) Make online resources and technical assistance available to practitioners to better understand their application.
   b) Explore ways to encourage participation of multiple taxing entities and leverage state resources to increase TIF district revenue potential.
   c) Explore changes to TIF districts to encourage their adoption in alignment with state affordable housing and location efficiency goals.

d) Make various technical changes to resolve potential confusion with TIF statutes.

5) *Existing state homelessness programs*. In recent years, the state has provided significant funding to programs that both combat and prevent homelessness.

a) *HEAP*. HEAP was established in 2018 (SB 650, Committee on Budget and Fiscal Review, Chapter 48) to provide localities with immediate, one-time flexible funding to address immediate homelessness challenges until other sources of funding became available to fund long-term homelessness solutions. Under HEAP, $500 million in one-time General Fund monies was directed to California's 11 largest cities and the state's 44 Continuums of Care (CoCs).
b) *HHAPP*. HHAPP, a new program established as part of the 2019 budget, (AB 101, Committee on Budget and Fiscal Review, Chapter 159) aimed to build on HEAP and provide additional funds to help local jurisdictions combat homelessness. Under HHAPP, $650 million in one-time General Fund monies was directed to 13 of California's largest cities, the 44 CoCs, and all 58 counties. HHAPP requires applicants for funds to demonstrate efforts at regional coordination in their application, and to demonstrate how the requested fund will close existing gaps in addressing homelessness. Eligible uses are defined as evidence-based solutions that address and prevent homelessness, including rental assistance and rapid rehousing; operating subsidies in affordable or supportive housing units, shelters, and navigation centers; incentives to landlords; outreach and coordination to help vulnerable populations access permanent housing and supportive housing; systems support for regional partnerships; innovative solutions such as hotel and motel conversions; diversion to permanent housing; and new shelters and navigation centers based on demonstrated need. In 2020, the Legislature allocated an additional $300 million to HHAPP.
c) *CESH*. CESH was created in 2018 (SB 850, Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2018); the 2018-19 budget directed a portion of first-year revenues from the Building Homes and Jobs Act Trust Fund (SB 2, Atkins, Chapter 364, Statutes of 2017) to CESH. CESH provides funds to eligible administrative entities (designated by a Continuum of Care) in the form of five-year grants for various activities to assist individuals who are experiencing or who are at risk of homelessness. Eligible activities fall into five primary categories: housing relocation and stabilization services, including rental assistance; operating subsidies for permanent housing; flexible housing subsidy funds; operating

support for emergency housing interventions; and systems support for homelessness services and delivery systems.

d) *ESG*. ESG, a federal program administered by HCD, provides grant funds to address homelessness. Funding is allocated to CoCs, who select homeless service providers to receive the funds. Eligible activities include outreach to homeless individuals and families living on the street; rapid rehousing for homeless individuals and families; helping to operate and provide essential services in emergency shelters; and preventing homelessness.

e) *CalWORKs housing programs.* In addition, the state Department of Social Services oversees five housing programs designed to assist recipients of its other programs (such as CalWORKs and Adult Protective Services) who are homeless or are at risk of becoming homeless. All of these programs provide, either directly or indirectly, forms of rental assistance.

6) *NIFTI-2: Uses of funding for homelessness*. SB 961 (Allen) required 40% of the NIFTI-2 funds to be spent on affordable housing. This bill shifts the focus to homelessness prevention programs – e.g. rental subsidies, eviction defense, and code enforcement -- as follows:

   a) At least 20% for homelessness prevention programs for, or development of housing that is within one-half mile of a major transit stop and affordable to and occupied by, households with incomes between 30 and 60% AMI; and
   b) At least 20% for homelessness prevention programs for, or development of housing that is within one-half mile of a major transit stop and affordable to and occupied by, households with incomes below 30% AMI, or permanent supportive housing.

   How a district spends remaining funds under this bill depends on where parcels are located. In parcels within ½ mile of a major transit stop, or in a downtown area zoned for commercial or industrial uses, the NIFTI-2 can finance transit capital projects, TOD projects, capital projects that implement local complete streets programs, and parking, as specified. In any other location, this bill allows NIFTI-2s to finance homelessness prevention programs; housing affordable to households 60% AMI and below; programs that support enhanced transit ridership, as specified; and programs designed to reduce GHG emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled within a community. This bill requires all NIFTI-2 projects to use a skilled and trained workforce for all levels of contractors.

7) *Anti-displacement provisions.* This bill expands NIFTI-2s anti-displacement provisions in a manner modeled on those contained within the Housing Crisis Act of 2019 (Skinner, SB 330, Chapter 654, Statutes of 2019). After prioritizing households displaced by the district, it must focus on households

with a member who are either employed within two miles of the housing or live within the district and are children, elderly, or disabled. For homelessness prevention programs the measure creates, the district must prioritize households with a member who is employed within the district, or are children, elderly, or disabled.

This bill also expands existing anti-displacement provisions in NIFTI-2 for "protected units," or units that were subject to specified affordability restrictions. (See #7-9 in the "this bill" section above). SB 8 (Skinner, 2021) that proposes to make changes to the anti-displacement provisions in SB 330. Moving forward, the author may wish to align this bill with any changes made in SB 8.

8) *New state-matching program at SGC.* This bill creates a state matching program administered by the SGC for NIFTI-2s where a city and a county jointly form the district. Eligible districts can use these funds for homelessness prevention programs and affordable housing projects. SGC must consult with the HCFC prior to establishing additional requirements for homelessness programs.

   The maximum state matching contribution a district can receive each year is half the total amount of tax revenues or other resources the city and county contributed to the district since its formation (See #12-17 in the "this bill" section).

   Given that this new program requires both expertise in homelessness prevention programs and affordable housing construction, the author will accept an amendment to instead place this program at HCD, and require HCD to coordinate with the HCFC and SGC.

9) *Eligible applicants and sharing the burden.* The Legislature has enacted numerous measures to facilitate affordable housing production and address the housing shortage. Beginning in 2017, the Legislature has promoted higher density housing, streamlined housing approval processes, and increased zoning for housing while providing more state enforcement power. Additionally, the state has invested billions in recent years for affordable housing construction and infrastructure, and investments in homelessness prevention. In 2016, 2018, and 2020, several local jurisdictions across the state took action and adopted local measures to fund affordable housing construction, either through general obligation bonds or the creation of a permanent funding stream. On the other hand, some jurisdictions have taken actions to stymie housing development either through local initiative processes or through actions by the local city council. Given the severity of the crisis, identifying funding solutions must be a

shared responsibility and locals have control over how quickly they approve housing and can take steps to reduce housing costs. Further, with finite resources available, the state should not reward jurisdictions that have otherwise sought to stymie housing production. **The author will accept amendments to require that jurisdictions, in order to be eligible for funds: a) have a housing element in substantial compliance with state law; b) not violated the Housing Accountability Act or density bonus law within the last five years; and c) have not passed measures that cap population or place limits on growth, enacted housing moratoria, required housing-related zoning decisions be approved by the electorate, engaged in downzoning, or failed to comply with housing element law.**

10) *More accountability and data collection*. The author and sponsor's (MoveLA and Santa Monicans for Renters' Rights) intent is to make NIFTI-2s more functional and appealing to local governments to create by establishing a state matching program. Additionally, this bill aims to focus NIFTI-2s more directly on homelessness prevention programs and affordable housing developments that serve homeless populations and those at risk of becoming homeless. The goal is for NIFTI-2 funds to be flexible enough for locals to build upon existing local homelessness programs.

The state has several programs in place that finance homelessness prevention programs; most similar to this program, as noted above in Comment 5, is HHAPP. While the eligible uses for HHAPP funds are relatively flexible, the Legislature required the following transparency and accountability measures in return:

a) Transparency for the planned uses of the funds in the application, including a detailed plan for regional coordination to ensure efficient use of the funds by leveraging existing federal and local homelessness funds. This includes, but is not limited to: a demonstration of regional coordination; how the funds will help meet the jurisdiction's share of the funding needs; coordination with other regional funding resources; identification of all funds currently being used or anticipated to be used by the applicants; an assessment of the current number of people experiencing homelessness and existing programs; outline of proposed uses of the funds requested and how they will complement existing funds; clearly defined and measurable goals; evidence of connection with a local coordinated entry system; and an agreement to participate in a statewide homeless management information system.
b) Annual reporting to the state for the funds, including specified data collection on the populations served and individual program outcomes. This

includes, but is not limited to: an ongoing tracking of specific uses and expenditures of any funds broken out by eligible uses listed and the current status of the funds; the number of homeless individuals served by the program funds and total number served in all years of the program; types of housing assistance provided; outcome data for each individual served, including the type of housing that an individual exited to or exits back to the street; demographic information of individuals served; and information regarding partnerships among entities, or lack thereof, and participant and regional outcomes.

c) Requirement that funds be expended on evidence-based solutions that comply with housing first principles, with a focus on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing.
d) Data regarding the applications for funding received. This includes, but is not limited to: number of applications received by the state, including number denied by the state; the name of each recipient of funds; and the name of any sub-recipients.

The author has committed to including the above components in this bill moving forward.

11) *Show me the money.* This bill contemplates creating a state matching program, but does not include an appropriation.

12) *Opposition.* The California Housing Consortium and the California Housing Partnership Corporation are opposed unless amended to remove "skilled and trained" requirements and instead require prevailing wages and investments in pre-apprenticeship programs. The California Association of Realtors, writing in opposition to the introduced version of the bill, were opposed to authorizing NIFTI-2s through the use of a resolution instead of an ordinance, and eliminating a 10 year owner participating requirement. This bill was amended on April 5, 2021 and April 13, 2021.

13) *Double-referral*. This bill was approved in the Senate Governance and Finance Committee on April 8, 2021 on a vote of 5-0.

RELATED LEGISLATION:

SB 8 (Skinner, 2021) — proposes several changes to the HCA of 2019. *This bill will also be heard in the Senate Housing Committee on April 29, 2021.*

SB 961 (Allen, Chapter 559, Statutes of 2018) — enacted the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), which allowed certain enhanced infrastructure financing districts (EIFDs) to issue debt for affordable housing near transit without voter approval.

AB 1598 (Mullin, Chapter 764, Statutes of 2017) — allowed a city or county to create an AHA to fund affordable housing and affordable workforce housing, similar to a CRIA.

AB 1568 (Bloom, Chapter 562, Statutes of 2017) — established the NIFTI Act in EIFD law and allows EIFDs to receive sales and use and transaction and use taxes for affordable housing purposes.

AB 2 (Alejo, Chapter 319, 2015) — authorized local governments to create CRIA to use tax increment revenue to improve the infrastructure, assist businesses, and support affordable housing in disadvantaged communities.

AB 229 (Perez, Chapter 775, 2014) — created IRFDs, modeled IFDs in existing law. Authorizes a military base reuse authority to form a district, and allows these districts to finance a broader range of projects and facilities to clean-up and develop former military bases.

SB 628 (Beall, Chapter 785, Statutes of 2014) — authorized the creation of EIFDs, and AB 2 (Alejo, Chapter 319, Statutes of 2015) authorized the formation of CRIAs. Similar to EIFDs, CRIAs use tax increment financing to fund infrastructure projects, with two big differences: CRIAs may only be formed in economically depressed areas, but lack the voter approval requirement.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Friday, April 23, 2021.)

SUPPORT:

Move LA (Co-Sponsor)
Santa Monicans for Renters' Rights (Co-Sponsor)
California State Association of Electrical Workers
California State Pipe Trades Council
State Building and Construction Trades Council of Ca
Western States Council Sheet Metal, Air, Rail and Transportation

OPPOSITION:

California Association of Realtors
California Housing Consortium
California Housing Partnership Corporation

-- END --