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The Honorable Buffy Wicks Chair, Assembly Appropriations Committee 1021 O Street, Suite 8220 Sacramento, CA 95814

Re: AB 2813 (Aguiar-Curry) - Government Investment Act.

As Amended April 29, 2024 - SUPPORT

Set to be heard May 15, 2024 - Assembly Appropriations Committee

Dear Assemblymember Wicks,

On behalf of the California State Association of Counties (CSAC), representing the 58 counties in California, I write in support of Assembly Bill (AB) 2813 by Assemblymember Aguiar-Curry. This measure would provide technical amendments and further specify the intent of your ACA 1, a measure that would empower our local communities to address their critical housing and infrastructure needs.

ACA 1 would achieve those goals by reducing the voter threshold for approval of bond and special tax measures that help fund critical infrastructure, affordable housing projects, and permanent supportive housing for individuals at risk of chronic homelessness.

The California Constitution currently requires a two-thirds vote at the local level for both general obligation bonds and special taxes, which serve as vital financial tools for local governments, regardless of the intended use for the funds by cities, counties, or special districts in service of their residents. However, local school districts can seek approval for bonded indebtedness with only a 55 percent vote threshold for the construction, reconstruction, rehabilitation, or replacement of schools. The changes included in ACA 1 will create parity for cities, counties and special districts for voter approval thresholds already granted to school districts.

Markedly, ACA 1 would reduce the vote requirement for issues that are most pressing to the quality of life and well-being of all Californians, including increased local supplies of affordable housing. Addressing the challenges posed by our homelessness crisis demands a comprehensive, holistic approach encompassing the expansion of affordable housing stock and assistance for those consistently vulnerable to homelessness. Crucially, our local communities cannot fully address the affordable housing shortage without significant resources.

The goals of ACA 1 are aligned with the goals and policy recommendations found in CSAC's AT HOME plan, the county comprehensive plan to address homelessness. Developed through a lengthy all-county effort, the AT HOME plan (Accountability, Transparency, Housing, Outreach, Mitigation & Economic Opportunity) outlines clear responsibilities and accountability aligned to authority, resources, and flexibility for all levels of government within a comprehensive homelessness response system. It includes a full slate of policy recommendations to help build more housing, prevent individuals from becoming homeless, and better serve those individuals who are currently experiencing homelessness.

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Absent ongoing state funding for local governments to address homelessness and the supply of affordable housing, which is a pillar of our AT HOME Plan, local governments have no choice but to seek funding from local sources to increase and maintain housing units across the spectrum of needs. ACA 1 provides an opportunity for communities to continue to do their fair share to support California's most vulnerable residents.

Increasing local capacity to procure and produce the necessary infrastructure to serve our unhoused neighbors is far from being the singular local benefit of ACA 1. This measure would also allow local voters to elect to increase their community's funding for parks and recreation, libraries, maintenance of streets and highways, protection against sea level rise, and more. The necessity for this measure is illustrated, notably, by the 2021 California Statewide Local Streets and Roads Needs Assessment which reports that 55 out of 58 counties are considered at risk of, or presently have, poor pavements. Further, the Federal Environmental Protection Agency estimates that California communities, collectively, have water infrastructure needs of nearly \$64.7 billion. Now, more than ever, is the appropriate time to empower California residents to choose to fund solutions for their communities.

ACA 1 preserves the need for overwhelming voter support for a bond or special tax in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability. With these protections in place, communities should be able to decide the appropriate level of taxation to meet their local needs.

AB 2813 will provide clarity to ACA 1 and ensure that local governments are accountable for ACA 1 projects by further specifying how citizens' oversight committees will operate and refine the role of the California State Auditor in overseeing ACA 1 projects. AB 2813 will ensure that future ACA 1 measures are set up for success by guaranteeing the proceeds can be used to support meaningful progress in their communities, ensure accountability and transparency of ACA 1 projects, and will exist as a vehicle to make necessary technical adjustments to the provisions of ACA 1 before it is considered by voters.

It is for these reasons that CSAC supports AB 2813 and respectfully requests your AYE vote. Should you have any questions regarding our position, please do not hesitate to contact me at elawyer@counties.org.

Sincerely,

Eric Lawyer Legislative Advocate

cc: The Honorable Cecilia Curry-Aguiar, California State Assembly
Members, Assembly Appropriations Committee
Irene Ho, Principal Consultant, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus