



ASSEMBLY MEMBER

**Kevin Mullin**

DISTRICT 22



## AB 1598: Expanded Community Revitalization and Investment Authorities

### **PURPOSE**

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AB 1598 is intended to provide local governments with a critical tool needed to address the housing affordability crisis across our state without raising taxes.

### **EXISTING LAW**

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Under current law, certain local agencies are authorized to form a community revitalization authority (authority) within a community revitalization and investment area to carry out provisions of the Community Redevelopment Law in the area for purposes related to infrastructure, affordable housing, and economic revitalization. Existing law provides for the financing of these activities by the issuance of bonds serviced by property tax increment revenues, and requires the authority to adopt a community revitalization and investment plan for the area that includes elements describing and governing revitalization activities.

### **BACKGROUND & PROBLEM**

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Over the past six years, cities and counties in California have lost nearly 70% of all state and federal funding formerly available for affordable housing and even deeper cuts to the US Dept. of Housing and Urban Development (HUD) are anticipated.

According to the California Housing Partnership, there is a shortfall of over 1.54 million homes affordable to lower-income families and not one county in the state has a sufficient number of affordable rental homes.

This bill would build upon and expand AB 2 (Alejo) from 2015 which created Community Revitalization and Investment Authorities or CRIAs.

For many of our communities, the “blight” findings and indices of crime and unemployment required under AB 2 are not the appropriate metrics.

Many cities in the San Francisco Bay Area, for example, are not lacking in private investment in commercial and office development but are, instead, seeing a wide and ever-growing jobs-housing gap as job growth far outpaces the production of new affordable homes.

Therefore, localities need a tool to capture the growth in tax increment produced by new commercial development and invest those revenues in the production of homes affordable to the local workforce.

### **SOLUTION**

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AB 1598 authorizes cities and counties statewide to create Community Revitalization and Investment Authorities to fund activities related to the promotion and development of affordable housing through local tax increment financing without raising taxes.

### **SUPPORT**

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Non-Profit Housing Association of Northern CA

### **STAFF CONTACT**

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