



February 1, 2021

The Honorable Anthony Portantino
Senator, California State Senate
State Capitol Building, Room 3086
Sacramento, CA 95814

RE: SB 15 (Portantino) Housing Development Incentives. Rezoning of Idle Retail Sites. *Notice to Co-Sponsor* .

Dear Senator Portantino:

The Los Angeles County Division of the League of California Cities® (Division), representing 86 cities in the county, is pleased to co-sponsor your SB 15 (Portantino), which would provide strong incentives for cities to rezone idle big box retail sites or commercial shopping centers to accommodate workforce multifamily housing.

Specifically, SB 15 would allow cities to receive from the Department of Housing and Community Development (HCD), upon appropriation by the Legislature, the average of the annual amount of sales tax revenue generated by the big box retail or commercial shopping center site for the previous seven years if the site has been rezoned, housing has been constructed and occupied.

This measure would address one of the hurdles to rezoning commercial sites into residential sites, the loss of sale tax and transient occupancy tax (TOT). Cities often rely on sales tax, TOT, and other non-property tax sources of revenue to provide essential city services like police and fire service. This is particularly the case for cities that receive very little property tax. SB 15 would provide additional resources for seven years to help address the revenue shortfall associated with rezoning commercial sites to residential uses.

SB 15 is a smart solution to our housing crisis. We are proud to join as a co-sponsor. Thank you again for your leadership on this important issue.

Sincerely,

Blanca Pacheco
President
Los Angeles County Division
League of California Cities

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