

Date: June 20, 2001
To: IRP Legislative Committee Members
From: Staff
RE: AB 499 (Cogdill)

INTER-REGIONAL
PARTNERSHIP
Alameda County
Contra Costa County
San Joaquin County
Santa Clara County
Stanislaus County



Background

AB 499, authored by Assemblyman David Cogdill of District 25, Stanislaus County, is directed at amending section 65891.1 of the Government Code related to balancing jobs with housing.

Specifically, AB 499 speaks to the IRP State Pilot Program monitored by the Dept. of Housing and Community Development. The major change proposed by the bill is the revision of the characteristics of an opportunity zone identified by the IRP.

Currently, zones are limited to areas where adequate infrastructure exists. This could potentially limit the location of employment opportunity zones, for example, to more urban areas (ie., Bay Area counties). Smaller Valley cities that have housing, but seek more employment, may not have the infrastructure to be eligible for an employment opportunity zone. This could also limit opportunities Valley cities may have to receive funds from a bill which proposes an additional \$200 million for jobs/housing oriented programs and incentives.

AB 499 would expand the characteristics of a zone to include areas identified by a city or county where infrastructure incentives are necessary for the area to create viable jobs.

The bill would create incentives for the five-county Partnership area, including exempting from the state sales tax, 5% of the gross receipts of materials sold in this state which are used for infrastructure improvements in the IRP counties. Additionally, the bill targets incentives directly at Stanislaus County. The Technology, Trade and Commerce Agency would be required to designate an enterprise zone in Stanislaus County, at the request of the Board of Supervisors, and an additional targeted tax area in Stanislaus County, at the request of the appropriate governing body.

To be eligible for these incentives, the area must have:

- a general plan designation and zoning that allows job creation
- a completed infrastructure plan and infrastructure finance plan

Areas with multi-jurisdictional revenue sharing and service agreements will receive priority consideration for incentives.

Bill Status

On April 19, 2001 the bill was referred to the Revenue and Taxation Committee and the Committee on Jobs, Economic Development and the Economy. The bill has not been

heard by either committee.

Senator Torlakson has informally discussed AB 499 with Assemblyman Cogdill. The Senator's legislative staff are not aware of any plans by the Senator to take action on the matter.

Requested Action

IRP staff recommend that this bill be monitored.