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July 9, 2015

The Honorable Robert Hertzberg
Chair, Senate Governance and Finance Committee
State Capitol, Room 408
Sacramento, CA 95814

RE: **AB 974 (Bloom) Redevelopment Dissolution: Housing Projects: Bond Proceeds**
MuniServices - Notice of Support

Dear Senator Hertzberg,

MuniServices joins its local government partners and supports AB 974 that would provide immediate economic stimulus to the state. AB 974 addresses the concerns, with respect to the outstanding bond debt, in the Governor's AB 2493 (Bloom) veto message and includes a provision requiring cities to refinance their 2011 bonds at their "call" date to lower interest rates. This added provision is designed to provide clarity, certainty, and cost savings to the proposal and is in response to concerns raised by the Department of Finance.

AB 974 will limit the state's fiscal exposure by specifying that any 2011 bond proceeds that cannot be used for projects, because they don't meet the criteria in the bill, must be used to defease all or a portion of the bonds in a manner that maximizes fiscal savings. AB 974 includes screening criteria that must be met and assures that only projects that were planned prior to January 1, 2011 will be authorized. AB 974 also requires that each project further the goals of SB 375 (Chapter 728, Statutes of 2008) to reduce greenhouse gas emissions. MuniServices supported AB 2493 (Bloom) which is near-identical to AB 974.

For nearly 40 years MuniServices has partnered with many of our State's municipal governments as a full-service provider of revenue enhancement services helping to preserve, enhance and manage their respective revenue base. Working exclusively with public agencies, MuniServices encourages policy that promotes responsible economic development. AB 974 will provide dozens of cities an economic development tool that will not only improve their local communities, but will also improve regional economies. It is estimated that if these funds were put to work they would generate \$1.6 billion in statewide economic activity that will result in over \$76 million in new state and local tax revenues. For these reasons we are pleased to support AB 974. If you any questions, or if I can be of any assistance, please contact me or my colleague Fran Mancia at 559.288.7296 or Fran.Mancia@MuniServices.com.

Sincerely,

A handwritten signature in black ink that reads "Brenda Narayan".

Brenda Narayan
Director of Government Relations
916.261-5147

cc: Members, Senate Governance and Finance Committee
Assembly Member Richard Bloom
Brian Weinberger, Senate Governance and Finance Committee
Brandon Ebeck, Republican Policy Consultant
Dan Carrigg, League of California Cities