

April 8, 2019

The Honorable Anna Caballero
California State Senate
State Capitol, Room 5052
Sacramento, CA 95814

RE: SB 25 (Caballero) CEQA Review for Opportunity Zone Projects – SUPPORT

Dear Senator Caballero:

On behalf of the County of Monterey, we are pleased to support your bill SB 25 that would encourage economic development in neglected census tracts. Through the federal Tax Cuts and Jobs Act of 2017, investors can defer or eliminate federal taxes on capital gains when they invest in state identified “Opportunity Zones.” California has designated Opportunity Zones for 879 census tracts in California, spread across 57 different counties.

Unfortunately, the elimination of redevelopment agencies has left our most impoverished communities with few tools to generate economic growth. Luckily, local governments and private investors can now examine the Opportunity Zone program as an alternative to spur growth, but these development projects continue to face the threat of frivolous CEQA lawsuits. SB 25 addresses this challenge by creating a streamlined judicial process for any action or proceeding brought under CEQA, when a qualified project uses certain public funds, or Opportunity Zone Funds for housing, economic development, or infrastructure projects. Projects that can be completed quickly will produce the best economic results for investors.

We appreciate the work you are doing through SB 25 to curb CEQA lawsuit abuse and incentivize economic developments in the state. Please contact Monterey County’s Public Policy advisors, Jennifer Capitolo or Ashley Walker of Nossaman LLP at 916-442-8888, if you have further questions.

Sincerely,

John M. Phillips
Chair, Board or Supervisors

cc: Senator Bill Monning
Assemblymember Mark Stone
Assemblymember Robert Rivas
California State Association of Counties