June 10, 2015

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

RE: AB 504 (Gonzalez): Civic San Diego– Oppose

Dear Senator Hertzberg:

On behalf of the San Diego Regional Chamber of Commerce (Chamber), I am writing to reiterate the Chamber's opposition to AB 504 (Gonzalez) before this bill comes to a vote in your Governance and Finance Committee. With approximately 3,000 members representing 400,000 employees, the Chamber is the largest nonprofit advocate for businesses in San Diego County and is dedicated to growing commerce and prosperity in the region. We consider business growth, housing affordability and job creation a top priority for civic leaders and we are very concerned that AB 504, as amended on March 26, 2015, would make development in our downtown more time consuming and expensive than anywhere else in the city and represents a significant overreach of state policy into a local issue.

AB 504 would create an undue and counterproductive burden on any nonprofit public benefit organization like Civic San Diego that makes zoning, planning and permitting decisions on behalf of a city which has lawfully delegated those powers to such nonprofit organizations. AB 504 would allow all zoning, planning and permitting decisions made by nonprofit organizations like Civic San Diego appealable to the City Council creating delay, increasing costs, killing projects, and hindering the ongoing economic development of our older urban neighborhoods in San Diego.

Over the past four decades, Civic San Diego, then known as Centre City Development Corporation, helped to turn an extremely blighted downtown into a thriving point of pride for all of San Diego. The organization was a leader in the effort to bring the trolley and residents back to downtown. They also played a key leadership role in bringing Horton Plaza to downtown which is now considered a model for urban renewal in economic development circles because it brought retail back to the city center after decades of retailers leaving for the suburbs. To help highlight the economic importance of Civic San Diego's numerous accomplishments, I would point out that Downtown (through various projects under Civic San Diego), has produced half of the Inclusionary Housing Fees collected throughout the City.
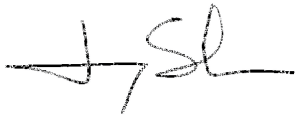
The current level of oversight is appropriate and effective. Civic San Diego is bound by open-government state laws, and its board is appointed by the mayor and council to no more than two three-year terms. Further, the residents feel heard by Civic San Diego and work well with its staff. In fact, the Downtown Community Planning Group and the Community Planners Committee that represents all 42 planning groups have all joined the Chamber to OPPOSE AB 504.

Civic San Diego is widely regarded as a model of efficiency, and additional levels of oversight and regulations would only hamper investment in desperately needed areas of our city. AB 504 would undermine Civic San Diego's proven ability to revitalize neighborhoods, especially those that are most in need. We need to encourage development in our communities, not scare off potential investors.

The decades of progress in our downtown neighborhoods is a point of pride for us locally. It is because of this, that discussing the governance of Civic San Diego should be done in San Diego, and not at the state level. The Chamber firmly believes that dismantling an organization that the City, Mayor and residents all feel is working serves no benefit to the region or state.

For these reasons, the Chamber opposes AB 504 and asks that you consider these comments when the bill comes before you in the Senate Committee on Governance and Finance. If you have any questions, please do not hesitate to contact Chanelle Hawken, Vice President of Public Policy, at (619) 544-1365 or chawken@sdchamber.org.

Sincerely,

Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

cc: Members of the Senate Governance and Finance Committee