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February 4, 2019

The Honorable Eloise Gómez Reyes
California State Assembly
State Capitol Building, Room 2175
Sacramento, CA 95814
VIA FAX: 916-319-2147

RE: Annexation Finance: restoration of lost revenue and renewed incentives.
Notice of Support

Dear Assemblymember Reyes:

The City of Burlingame supports your AB 213. While our City was not impacted by the State's revenue grab of city annexation funds that occurred as a result of SB 89 (2011), in response to the State's then-dire budget conditions, we may well proceed in the future with annexation of nearby unincorporated lands, and the incentives could be a key component.

In particular, the City of Burlingame supports the restoration of fiscal incentives that encourage the policy of city annexation of adjacent lands, where appropriate. In our case, our County and LAFCO have suggested that the City of Burlingame might beneficially incorporate Burlingame Hills, an adjacent, largely unincorporated community of homes, into our City. While the homeowners themselves have traditionally preferred their unincorporated status, there is a growing interest by the homeowners to harmonize infrastructure and to give those homeowners a vote in their City's leadership. We have been clear with the homeowners that this will only be done on a mutually beneficial basis—there will be no forced annexation by the City of Burlingame—and so it must make sense financially for the City. This is especially so in light of our recent General Plan update, which expands the total number of housing units in our city by 20% over the next decade, a substantial commitment of resources on our part but a crucial plank in our collective effort to create more housing on the Peninsula.

Your bill would help restore incentives to cities like ours to proceed with sensible annexations. We urge you to proceed and your colleagues to support the measure. Furthermore, we believe that sister cities who relied on the revenue from prior annexations, and which was removed by Sacramento and SB 89, ought to properly see that revenue returned, which your bill would do. Like Redevelopment Agencies, if cities cannot count on revenue from State policies, then future planning becomes much more problematic, and city leadership will, in response, necessarily become more conservative and risk averse. This is not a good way to manage our State.

For these reasons, the City of Burlingame supports AB 213 (Reyes).

Sincerely,

Donna Colson
Mayor

cc: State Senator Jerry Hill
State Assemblymember and Speaker Pro Tem Kevin Mullin
Larry Moody, League of California Cities Peninsula Division President
Seth Miller, League of California Cities Regional Public Affairs Manager (smiller@cacities.org)
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