

CITY OF CONCORD  
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**6.a**  
CITY COUNCIL  
Timothy S. Grayson, Mayor  
Ronald E. Leone, Vice Mayor  
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Daniel C. Helix  
Laura M. Hoffmeister

Thomas J. Wentling, City Treasurer  
Valerie J. Barone, City Manager

September 16, 2014

The Honorable Jerry Brown  
Governor of the State of California  
State Capitol  
Sacramento, CA 95814

**RE: AB 1399 (Medina-V.M. Perez). California New Markets Tax Credit.**

Dear Governor Brown:

The City of City of Concord respectfully requests your signature on Assembly Bill 1399, which will create a California New Markets Tax Credit program, to attract private capital and federal matching funds to spur investment and create jobs in low-income communities throughout California.

This legislation will capitalize on a federal program signed into law by President Clinton in 2000. At the federal level, this program has enjoyed bipartisan support since inception, counting the late Senator Ted Kennedy and former Congressman Jack Kemp among its ardent supporters. Since that time, the New Markets Tax Credit has assisted state efforts at local economic development, including job creation, by providing matching funds for small businesses and business-related real estate ventures in low-income areas.

While it is true that the federal tax credit is available to investors without the creation of a state program, **the benefit of creating a state program is that it helps attract national pools of investment capital into California communities.**

*Between 2001 and 2012, eleven states that established state matching programs leveraged an average of \$13.00 in combined federal and private monies for every state dollar allocated to fund the tax credit.* They are: Oregon, Florida, Illinois, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, Ohio, Maine, and Connecticut.

The New Markets Tax Credit model is a proven economic development tool in states that have created statewide programs. The bill incorporates strict guidelines on the nature of investments that may be made, to limit them to those that demonstrate a positive revenue impact on the state, using nationally recognized assessment models.

For these reasons, the City of Concord supports this measure and respectfully urges you to sign it. Thank you for your consideration of our views on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Timothy S. Grayson".

Timothy S. Grayson  
Mayor, City of Concord

cc: Assembly Member Jose Medina  
Assembly Member V. Manuel Perez  
Tim Cromartie, League of California Cities  
Jason Gonsalves, Joe A. Gonsalves & Son

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bcc: Members of the City Council  
Valerie Barone, City Manager  
Scott Johnson, Assistant City Manager  
John Montagh, Redevelopment and Housing Manager  
Mary Rae Lehman, City Clerk