



CITY OF MILPITAS
OFFICE OF MAYOR JOSE S. ESTEVES

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April 15, 2014

Honorable Richard Gordon
California Assembly
State Capitol Room 3013
Sacramento, CA 95814

SUBJECT: Notice of Support – Assembly Bill 1799 (Gordon) Land Use: Mitigation Lands

Dear Assembly Member Gordon:

The City of Milpitas supports your AB 1799 relating to land use: mitigation lands. This important measure would exempt specified governmental entities and special districts from the requirement to use endowments or other funding instruments to fund long-term stewardship of mitigation property, so long as the governmental entity or special district demonstrates financial reliability and provides either a board resolution or contractual agreement for the long-term stewardship of mitigation property.

Existing law gives a permitting agency discretion to use a wide range of funding instruments to fund long-term stewardship of mitigation property. However, more often than not, permitting agencies have been requiring the strictest funding instrument in the form of permanent endowments. An endowment calls for a large sum of money to be set aside upfront and those funds need to be held, managed, invested and disbursed solely for, and permanently restricted to, the long-term stewardship of the mitigation property.

Requiring public agencies to set aside funds in endowments permanently ties up those taxpayer funds which thereafter can't be used to fund other critical public projects. This negatively impacts public agencies' ability to carry out their work. AB 1799 would exempt public agencies from the endowment requirement, and instead permit the use of other specific methods to ensure funding for long-term stewardship of mitigation property.

AB 1799 would provide for changes to existing law to exempt governmental entities and special districts from being required to provide endowments or other funding instruments for the long-term stewardship of mitigation property, so long as the governmental entity or special district demonstrates financial reliability and provides either a board resolution or contractual agreement for the long-term stewardship of mitigation property.

This measure will not result in reduced mitigation or reduced stewardship obligations, but will provide greater flexibility in the use of public taxpayer funds.

Please feel free to contact me at (408) 586-3029 or jesteves@ci.milpitas.ca.gov should you have any questions.

Sincerely,

Jose S. Esteves
Mayor