

March 30, 2022

Dear Fellow Downtown PBID Director

I'm writing to bring you up to speed and ask for your support on the California Downtown Association's (CDA's) sponsorship of an important Bill for the future of PBIDs. We have a very important and timely opportunity to clarify a piece of the current PBID legislation that is somewhat ambiguous as such resulting in a number of lawsuits against PBIDs over the years. We are extremely honored and pleased that Assemblymember Richard Bloom is authoring the bill - AB 2890.

### **Background**

In 1996 voters passed Proposition 218 which implemented new requirements on PBIDs, and other assessment districts including a requirement to specify "special" vs. "general" benefits that would be realized from the assessment. However, the initiative included only a brief definition of the benefits and had no implementation guidance for how engineers are to identify the benefits. This ambiguity has made it difficult for PBIDs to determine what assessments can be charged and has increased the number of lawsuits against the districts.

Ambiguity in published court cases relative to how an engineer should quantify benefits in PBIDs has inspired plaintiffs to challenge districts. These suits, while not successful so far, have delayed the implementation of programs and have forced cities, counties and PBIDs to spend precious resources defending the claims. BIDs who have been sued on the methodology used to calculate special vs general benefit have experienced success in the courts using the precedence of the Dahms case (*Dahms vs Downtown Pomona PBID (2009)*). This case provides an inclusive and simple definition of special benefits. This bill would essentially codify *Dahms* and amend the current BID law to include this definition.

### **Benefits of AB 2890**

- AB 2890 clarifies the special benefit of the programs, which will help PBID assessments avoid unnecessary and costly legal challenges.
- AB 2890 proposes a narrow addition to Streets and Highways Code § 36600 et seq. that is needed to give direction to engineers on how to accurately calculate the benefits in accordance with the law.
- Without the clarifications in AB 2890, PBIDs will remain subject to litigation challenges that severely impede – or even eliminate – PBIDs and the benefits they provide.

### **Request for your participation**

CDA has become a proactive voice in the Capitol advancing public policy that impacts the economic vitality and quality of life of our downtown communities. Our legislative priorities include: managing public spaces, housing creation, economic vitality, and operational effectiveness of BIDs.

Sponsoring a bill requires CDA to add significant resources to our government affairs budget. This includes lobbying, creating a strong coalition, messaging and logistics needed to advance AB 2890 in the 2022 legislative session.

Bryant Government Affairs will shepherd these efforts and we've retained Civitas' John Lambeth to assist with authoring. To that end, CDA is raising supplemental funds to move AB 2890 forward.

Below is a recommended contribution based on your organization's budget. We will accept any amount but encourage you to find the resources to contribute to this important Bill. The pandemic has had an unprecedented impact on our business districts, and AB 2890 helps to ensure that PBIDs can continue to revitalize our State's downtown areas in a time when businesses need it the most.

<b>Organization Annual Budget</b>	<b>Suggested Contribution</b>
\$3 Million+	\$5000
\$1 Million to \$2.9 Million	\$2500
\$500k to \$999k	\$1000
Less than \$500k	\$500

\$3 Million+	\$5000
\$1 Million to \$2.9 Million	\$2500
\$500k to \$999k	\$1000
Less than \$500k	\$500

Sincerely,



Rena Masten Leddy  
President, CDA  
VP, Urban Place Consulting Group

Andrew Thomas  
Past President, CDA  
Executive Director  
Westwood Village Improvement Association