August 28, 2020

The Honorable Gavin Newsom

Governor, State of California

State Capitol

Sacramento, CA 95814

**RE: Assembly Bill 2107 (Rodriguez and Gray) – Request for Signature**

Dear Governor Newsom:

The [District Name] respectfully requests your signature on Assembly Bill 2107 (Rodriguez and Gray), which would restore an expired financial tool for special districts called Securitized Limited Obligations Notes (SLONs), allowing for securitized debt with certain limitations. [Describe your District, particularly the services it provides].

To acquire or improve real property, facilities or equipment in order to serve the needs of their constituents, most special districts have access to a handful of financing options, including general obligation bonds, lease financing, installment sale financing, temporary borrowing statutes, and SLONs.

For many special districts, especially for smaller districts with limited resources, SLONs may be the only pragmatic and cost-effective medium-term financing method available to fund variety of more modest projects (less than $2 million), with a four-fifths vote of the district board.

SLONS permit a public agency to issue a note to finance lower-cost acquisitions or improvements of land, facilities, or equipment. SLONs may not exceed $2 million outstanding at any given time, and the terms may not exceed 10 years. SLONs are secured by a pledge of any available revenue and approved by a four-fifths

vote of the governing body. Unfortunately, on December 31, 2019, the authorization for special districts to use this financing tool expired. AB 2107 simply restores this authority for another five years.

[Please list the prior or potential use of a SLON by your district here, if any]

For these reasons, [District Name] respectfully requests your signature on Assembly Bill 2107 (Rodriguez and Gray). Please contact me if you have any questions or concerns.

Sincerely,

[Name of Responsible Officer]

[Title]

CC: Ronda Paschal, Deputy Legislative Secretary, Office of Governor Newsom [ronda.paschal@gov.ca.gov]

The Honorable Freddie Rodriguez

[via andrew.avila@asm.ca.gov]

The Honorable Adam C. Gray

[via adam.capper@asm.ca.gov]

Anthony Tannehill, Legislative Representative, California Special Districts Association [advocacy@csda.net]