



Date: September 12, 2017

To: The Honorable Edmund G. Brown

From: American Insurance Association (AIA)
Association of California Insurance Companies (ACIC)
Personal Insurance Federation of California (PIFC)
Association of California Life and Health Insurance Companies (ACLHIC)
Pacific Association of Domestic Insurance Companies (PADIC)
National Association of Mutual Insurance Companies (NAMIC)
Western Center on Law & Poverty

RE: **Request for Signature on AB 778 – Community Investments**

Dear Governor Brown,

The above-signed organizations strongly support AB 778 and respectfully ask that you sign this important measure. This bill would extend the California Organized Investment Network (COIN) CDFI investment tax credit program until December 2022, which otherwise has sunset.

The COIN program was created in 1996 as a public-private partnership by the Department of Insurance, the insurance industry, state government leaders, and community development organizations with the goal of helping to address the unmet capital needs for economic development and affordable housing in low-income urban and rural communities throughout California.

The COIN program is an important tool to generate economic opportunity in California's low-income urban and rural communities that provides a tax credit to insurance companies that choose to make investments in Community Development Financial Institutions (CDFIs). The COIN program may award up to \$10 million in tax credits per year to leverage up to \$50 million in capital from insurance companies and other investors for community development through CDFIs. Over the past two decades, the COIN program has generated more than \$335 million in community development investments that have supported small businesses, created jobs, improved access to quality health care, built affordable housing, and funded green projects – all in low-income communities throughout California. COIN-invested projects have resulted in capital being made available to small businesses in the form of loans, as well as investments in affordable housing projects, health clinics and other community development projects.

Reauthorizing this valuable investment tool would help to improve the quality of life for many more communities in California. CDFIs are community organizations dedicated to providing financial products and services to low-income communities underserved by traditional financial markets. The associations' companies are honored to participate in efforts to encourage and facilitate safe and sound insurer investments in these community projects. In turn, these funds are used to assist persons in low-income communities, and secure financing for economic development and affordable housing.

We respectfully ask you to sign AB 778 so that this program may continue to support projects that help revitalize economic activity, creating a better quality of life for communities in need.

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cc:

Honorable Anna Caballero
Marcela Ruiz, Governor's Office
Michael Martinez, Governor's Office