



OFFICE OF THE GOVERNOR

OCT 13 2025

To the Members of the California State Assembly:

I am returning Assembly Bill 797 without my signature.

This bill requires the California Infrastructure and Economic Development Bank (IBank) to develop and administer a program that issues securities to support redevelopment to help stabilize property values in disaster-affected areas.

The intent of this bill is to ensure fair redevelopment of disaster-affected residential properties to help keep such properties in the hands of community members – an effort I wholeheartedly support. However, the administration of the IBank program proposed by this bill would result in significant, ongoing General Fund impacts in the tens of millions of dollars not included in the 2025 Budget Act.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

