

THE AFFORDABLE HOUSING CRISIS IN CA

California families are facing a harder time finding a place to live than at any point in our history. CA's broken & backward housing policies have contributed to the worsening crisis:

- A decade of disinvestment has starved local communities of the seed dollars they need to bring affordable homes to struggling neighborhoods. A new report from the state's own Department of Housing and Community Development finds "unstable funding for affordable-home development is impeding our ability to meet California's housing needs, particularly for lower-income households."
- We are spending \$300 million in tax dollars every year to subsidize purchases of second homes for some Californians when millions more struggle to have a roof over their head at all.
- Existing laws that require local governments to plan to accommodate jobs and growth haven't resulted in the promised affordable development.

Ignoring the problem over the last five years has only made things worse. The good news is that we can turn things around and create a California where hard-working families, children, seniors, veterans and vulnerable residents have a place to call home. This is why CHC is co-sponsoring:

- **SB 2 (Atkins) Building Homes & Jobs Act:** to invest in proven affordable home programs that boost the economy, create jobs and move toward a California where everyone can have a place to call home.
- **AB 71 (Chiu) Bring CA Home:** to protect the mortgage interest deduction that helps families purchase their first home and direct more funding into affordable development.

SB 2

Building Homes & Jobs Act

AB 71

Bring CA Home Act

These two pieces of legislation come at a crucial time for California, when state housing investment has plummeted by 69% in the last decade, worsening the unprecedented housing affordability crisis in our state. Today, more than 1.7 million Californians are paying more than half their income in rent – leaving too few dollars for nutrition, medicine, transportation and other fundamentals.

SB 2 creates an ongoing funding source that helps the state live within its means. By imposing a modest \$75 document recording fee on real estate transactions, excluding property sales and capped at \$225, SB 2 would increase California's supply of affordable homes, create jobs, and spur economic growth without incurring additional debt. SB 2 will:

- Generate hundreds of millions of dollars in state investment and leverage significant additional funding in federal, local, and private investment;
- Create an estimated 29,000 jobs annually for every \$500 million spent on affordable housing, primarily in the beleaguered construction sector;
- Deploy these dollars throughout California using a successful private/public partnership model, generating revenue for local governments;
- Build safe and affordable apartments and single-family homes for Californians in need, including families, seniors, veterans, people with disabilities, and people experiencing homelessness;
- Help businesses attract and retain the talent that fuels California's economy.

AB 71 protects the mortgage interest deduction that allows Californians to achieve the dream of owning a home to raise their families. This important legislation also invests savings from an unjustifiable \$300 million state tax subsidy for vacation homes to expand rental opportunities for the most vulnerable Californians. AB 71 will:

- Expand the successful state Low-Income Housing Tax Credit Program by \$300 million annually, leveraging an additional \$600 million in federal funds to build more than 3,000 affordable homes each year;
- Help incentivize private investment and generate the up-front dollars needed to get affordable housing developments off the ground;
- Build on the successful track record of these programs in California, which have produced or preserved more than 300,000 homes, created 340,000 jobs, and generated \$32.33 billion in local income and \$12.73 billion in tax revenues in California since 1986;
- Stop the return of hundreds of millions of dollars back to the federal government that could otherwise be used to finance additional affordable housing construction in California.