



April 12, 2017

The Honorable Todd Gloria
California State Assembly
State Capitol, Room 4162
Sacramento, CA 95814

RE: SUPPORT AB 1193 (Gloria)

Dear Assemblyman Gloria:

The California Housing Consortium (CHC) is pleased to support AB 1193, which would ensure that all affordable housing developments built using the low income housing tax credit receive a welfare exemption.

CHC is a non-partisan advocate for the production and preservation of housing affordable to low- and moderate-income Californians. We represent the development, building, financial, and public sectors united in their goal that every Californian has a safe, affordable place to call home.

California families are facing a harder time finding a place to live than at any point in our history. California's broken and 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."
- California spends \$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.

Existing property tax law allows affordable housing developments to qualify for a welfare exemption in order to maintain the affordability of housing units occupied by lower income households. While affordable housing units built with the low income housing tax credit are reserved for households with incomes at or below 60% of the area median income (AMI), federal law allows a household

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to remain in the affordable unit with their rent set at 30% of 60% AMI until their incomes reach 140% AMI. AB 1193 would allow these developments to continue to qualify for the welfare exemption so long as the tenants meet the federal income requirements.

AB 1193 comes 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.

Thank you for your leadership on this important issue and your ongoing commitment to ensuring the availability of housing affordable to all Californians. If you have any questions, don't hesitate to contact our Policy Director, Marina Wiant, at (916) 272-2325 or mwiant@calhsng.org.

Sincerely,

A handwritten signature in black ink that reads "Ray Pearl". The signature is written in a cursive, flowing style.

Ray Pearl
Executive Director

CC: Assembly Committee on Revenue and Taxation