



April 12, 2017

The Honorable Eduardo Garcia
California State Assembly
State Capitol, Room 4140
Sacramento, CA 95814

RE: SUPPORT AB 571

Dear Assemblymember Garcia:

The California Housing Consortium (CHC) is pleased to support your bill, AB 571, which makes improvements to the existing State Treasurer's Office (STO) Farmworker Housing Assistance Tax Credit Program to better facilitate the use of this important financing tool.

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.

The federal and state low-income housing tax credit programs are two of the most important housing production programs because they incentivize private investment and generate much-needed equity into affordable housing projects. In 1996, the Legislature created the Farmworker Housing Assistance Tax Credit

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Program to facilitate the investment of tax credits into farmworker housing projects. However, policy constraints of the existing Farmworker Housing Assistance Tax Credit Program has made it difficult to utilize. The changes proposed in AB 571 will make this program much more effective and help leverage underutilized federal tax-exempt bonds and 4% low income housing tax credits.

AB 571 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: Members, Assembly Committee on Revenue and Taxation