



**HOUSING
CALIFORNIA**



**WESTERN
CENTER**
ON LAW & POVERTY



**California Rural
Legal Assistance
Foundation**

May 10, 2017

The Honorable Edmund G. Brown
Governor of California

The Honorable Anthony Rendon
Speaker of the Assembly

The Honorable Kevin de León
Senate President pro Tempore

RE: May Revise and Affordable Housing Package

Dear Governor Brown and Legislative Leaders:

If there is any “good news” in California’s housing crisis, it is that a problem largely created by state policies also can be solved through state action. With precious few weeks left to adopt a state budget and the legislative year quickly coming to a close, millions of California families who are struggling to pay their rent and more than 130,000 people who are homeless are counting on you to act boldly to drastically increase the supply of affordable homes.

Currently, increasing the supply of affordable homes is stymied by barriers to building that the state has put in place, by toothless enforcement of local governments’ responsibilities to plan for and approve housing under current law, by lack of attention to preserving our existing stock of affordable homes, and by near total disinvestment in state funding needed to preserve and create affordable homes for those struggling to make ends meet.

Earlier this year we outlined a policy framework to ensure an adequate supply of housing affordable to all Californians (see attached). In his January budget proposal, Governor Brown echoed the call to address the housing crisis, citing the need to streamline housing construction, lower per-unit costs, reward production through incentives, and strengthen accountability and enforcement of current law. The Governor also challenged housing stakeholders to identify policies to increase production without a General Fund impact.

While we continue to believe that General Fund resources should not be off the table given the magnitude of the crisis, a package of bills is moving through the legislature that meets much of our framework and the Governor’s principles, including funding California’s successful affordable home production programs without touching the General Fund. We ask you to prioritize the following bills for enactment this year:

- AB 71 (Chiu) will invest \$300 million annually in affordable home production without a General Fund impact by fixing a backwards state policy that gives tax credits to owners of second homes

and vacation properties while millions of Californians struggle to keep a single roof over their heads.

- SB 2 (Atkins) will invest up to \$300 million annually to spur new, affordable development without a General Fund impact by placing a fee on certain real estate transaction documents (NOT related to home or business property sales).
- ACA 4 (Aguiar-Curry) will help local governments invest in the housing and infrastructure needs of their communities.
- AB 72 (Santiago and Chiu) will strengthen local government compliance with existing laws that are aimed at ensuring that California's housing supply is adequate and serves a wide range of income levels in every community.
- AB 1397 (Low) will strengthen state Housing Element Law by ensuring that the sites identified by local governments as locations for new housing is actually suitable and available for residential development.
- SB 166 (Skinner) will help ensure that local governments maintain an ongoing supply of appropriately zoned sites to meet the housing needs of the jurisdiction.
- AB 1505 (Bloom, Chiu, and Gloria) will enable local governments to prioritize development that includes rental homes affordable to workers and others with limited incomes.
- AB 1521 (Bloom) will strengthen the state's Affordable Housing Preservation Notice Law and help ensure that tens of thousands of affordable homes at risk of conversion to market rate will be preserved, reducing the displacement of existing low-income residents and preventing the state's already large shortage of affordable rental homes from growing.
- AB 571 (Garcia) will facilitate the development of farmworker housing.

Together, our framework and the Governor's principles represent the large-scale policy shifts needed to alleviate California's poverty-inducing affordability crisis. This year, California leaders can make a significant difference for struggling people and families by enacting the package of bills enumerated above. There are several more bills being considered, including SB 35 (Weiner), that are focused on streamlining the housing approval process, something the Governor has highlighted as a priority. We encourage the Legislature to continue to work to strengthen those proposals to ensure that they have a strong and immediate impact on addressing the affordable housing crisis.

With the costs and consequences of the housing crisis mounting, your leadership in swiftly moving this package of legislation is urgently needed. With each year that passes, the crisis takes a larger toll on our state's economy and environment and on our families' health and educational opportunities.

We look forward to working with you to increase the production and preservation of affordable homes that Californians and our economy so sorely need.

Sincerely,

Ray Pearl, California Housing Consortium
Anya Lawler, Western Center on Law and Poverty
Lisa Hershey, Housing California
Brian Augusta, California Rural Legal Assistance Foundation