





February 12, 2024

The Honorable Gavin Newsom
Governor of California
1021 O St., Ste. 9000
Sacramento, CA 95814

Senate President Pro Tempore Mike McGuire
1021 O Street, Ste. 8610
Sacramento, CA 95814

Assembly Speaker Robert Rivas
1021 O Street, Ste. 8330
Sacramento, CA 95814

RE: AB 1657 (Wicks) Affordable Housing Bond of 2024

Dear Governor Newsom, Pro Tem McGuire, and Speaker Rivas:

Currently, California has a shortage of 1.2 million homes affordable to lower-income households, and roughly 180,000 people experience homelessness on any given night. Thanks to critical land use and zoning laws passed by the State Legislature in recent years, the environment for permitting new affordable housing has never been more favorable. Unfortunately, the funding to make affordable housing financially feasible has not kept pace. The Department of Housing and Community Development's most recent \$576 million notice of funding availability received requests of \$3.6 billion from affordable housing developers, an oversubscription of 6:1. This represents 15,000 permitted, shovel-ready affordable housing units whose only barrier to construction is a lack of state funding. When projects languish in developers' pipelines, development becomes more expensive, and housing instability and homelessness continue to rise.

The Affordable Housing Bond of 2024 (AB 1657, Wicks) comes at a crucial time for California. Historically, the state has used voter-approved General Obligation bonds to fund the construction and rehabilitation of affordable housing. However, the \$3 billion in funding authorized by the Veterans and Affordable Housing Bond Act of 2018 will be fully allocated by the end of 2024. Additionally, the Governor's budget proposes to drastically reduce - and in some cases remove altogether - funding for most of the state's affordable housing and homelessness programs, making the need for a new, stable funding source even more dire. Without greater state funding, we are further unable to draw down unlimited 4% federal Low-Income Housing Tax Credits, leaving billions of dollars of federal assistance on the table.

The 2024 Affordable Housing Bond Act would place a **\$10 billion** affordable housing bond on the November 2024 ballot to fund affordable housing development for the following four years. The bond would fund:

- **\$5.25 billion** for the Multifamily Housing Program (MHP), including an additional **\$1.75 billion** for funding for capitalized operating subsidy reserves for supportive housing units
- **\$1.75 billion** for the Housing Rehabilitation Loan Fund

- **\$1.5 billion** for preservation (Portfolio Reinvestment Program, Low-Income Weatherization Program, and Community Anti-Displacement and Preservation Program (CAPP), including at least \$500 million for CAPP (SB 225))
- **\$1 billion** for CalHome and home purchase assistance programs
- **\$500 million** for tribal housing and farmworker housing

These resources will facilitate the construction of almost 30,000 new units of deeply affordable housing, help rehabilitate (with climate-friendly sustainability improvements) 90,000 additional affordable rental homes, and make homeownership possible for more than 13,000 low-income households. The new construction rental housing funds will be leveraged with private, federal, and local funds at a ratio of more than 4:1. We kindly request that you support and prioritize the passage of AB 1657 to ensure that the state's critical affordable housing programs are adequately funded in 2025 and beyond.

Sincerely,

Access Reproductive Justice
 A Community of Friends
 Access Reproductive Justice
 ACLU California Action
 Alameda County Democratic Party
 All Home
 Alta Housing
 Bay Area Community Services
 Brilliant Corners
 Bring California Home
 Burbank Housing
 California Community Land Trust Network
 California Housing Partnership
 California Rural Legal Assistance Foundation
 California Women's Law Center
 Capital Impact Partners
 CCH
 Center for Community Action and Environmental Justice
 Center for Community Advocacy
 Central Coast Center for Independent Living
 Central Valley Empowerment Alliance
 Century Housing Corp
 Change And New Beginnings
 CHOC
 City of Morgan Hill
 City of Riverside
 City Serve of the Tri Valley
 CivicHome
 Committee for Racial Justice
 Community Corporation of Santa Monica

Community Housing Development Corporation
Community Solutions
Compass Family Services
Council of Community Housing Organizations
Destination: Home
EAH Housing
East Bay Housing Organizations
Ellisckenterprises LLC
Empowering Pacific Islander Communities
Enterprise Community Partners
Episcopal Community Services
Evolve California
Faith In Action Bay Area (PICO CA)
Fair Housing Advocates of Northern California
FSY Architects, Inc.
Gerson Real Estate Consulting.
Ground Works Consulting
Gunkel Architecture
Healing and Justice Center
Holos Communities
Homebase
Homelessness Policy Research Institute
Homes & Hope
Housing California
Housing Choices
Housing is a Human Right OC (HHROC)
Housing Now!
Housing Matters
Housing Trust Fund Ventura County & Housing Land Trust Ventura County
Housing Trust Silicon Valley
Human Impact Partners
Inland Equity Community Land Trust
Inner City Law Center
ISCHC
LA Family Housing
Laing Companies
LeadingAge California
Legal Aid of Sonoma County
Lift to Rise
Linc Housing
LISC Bay Area
Lived Experience Advisers
Long Beach Residents Empowered (LiBRE)
Merritt Community Capital Corporation
MidPen Housing Corporation
Milestone Housing Group, LLC

Mission Economic Development Agency
Monterey County Renters United
Mutual Housing California
National Alliance to End Homelessness
Non-Profit Housing Association of Northern California (NPH)
Novin Development Corp.
OC Action
Orange County United Way
Parable of the Sower Intentional Community Cooperative
PATH
People's Budget Orange County
PICO California
PolicyLink
Promotores de Salud de OC
Public Advocates
Public Interest Law Project
RescueSF
Resilience OC
Resources for Community Development
Rise Economy
Sacramento Housing Alliance
Sacred Heart Community Service
San Diego Housing Commission
San Diego Organizing Project
San Francisco Community Land Trust
San Francisco Housing Development Corporation
San Francisco SafeHouse
San Joaquin Valley Housing Collaborative
San Jose Conservation Corps
Self-Help Enterprises
SGPA Architecture and Planning
Shatae Jones Consulting LLC
SPUR
South County Compassion Center
Southern California Association of Nonprofit Housing
Steinberg Institute
Strategic Actions for a Just Economy (SAJE)
Tenderloin Housing Clinic
Tenderloin Neighborhood Development Corporation
Thai Community Development Center (Thai CDC)
The Children's Partnership
The Kelsey
The Kennedy Commission
The People Concern
The Race & Equity in all Planning Coalition (REP-SF)
The Sacramento Environmental Justice Coalition

The San Joaquin Valley Housing Collaborative
The Shoftim Group
The Unity Council
TransForm
United Way Bay Area
United Way of Greater L.A.
Uplift San Bernardino at the Making Hope Happen Foundation
Valley Restart Shelter
Weingart Center Association
WUNZ Apparel in Action
YIMBY Action
Young Community Developers
40 Individuals