



May 26, 2020

The Honorable Philip Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: Investing in Affordable Housing and Homelessness Prevention

Dear Chairman Ting,

We write to respectfully request that the California State Assembly prioritize funding in the 2020-2021 state budget for programs and services that will address our state's affordable housing crisis and prevent more Californians from slipping into homelessness.

As California grapples with the devastating impacts of the COVID-19 pandemic, skyrocketing unemployment and widespread economic challenges threaten to exacerbate our state's existing housing and homelessness crises. In these circumstances, preventing further homelessness must be an urgent priority, particularly as the number of Californians slipping into homelessness each year already has been outpacing local efforts to provide shelter. Homelessness prevention is not only a moral imperative, it is also a smart investment with the potential to save billions of dollars in scarce public resources through avoided health, mental health, social services, and public safety costs.

With this approach in mind, we respectfully request that the Assembly work to advance the following policies, which will keep Californians housed during this crisis and beyond:

- **Continue the Low-Income Housing Tax Credit (LIHTC)** — LIHTC has been a proven, bipartisan, highly effective way to increase California's affordable housing stock, leveraging three federal dollars for every one dollar of state funding. We strongly support the \$500 million allocation for LIHTC included in the May Revise and hope that the Assembly will work to keep that allocation in the final budget.
- **Fund the Affordable Housing Preservation Tax Credit (AHPTC)** — California must act quickly as nearly 35,000 affordable rental units are at imminent risk of converting to market-rate units due to expiring affordability restrictions. Allowing these units to disappear would have catastrophic consequences for tens of thousands of vulnerable Californians and severely set back efforts to address our homeless crisis. A targeted preservation tax credit, such as the one proposed in AB 2058, would incentivize owners to sell these properties to experienced nonprofits committed to maintaining their affordability. Under this approach, preserving a unit of affordable housing would cost approximately \$20,000, far less than the cost of building a new unit, which can exceed \$600,000 in many urban areas. The May Revise references the "need to preserve existing subsidized affordable housing stock by stabilizing existing deed-restricted affordable housing," and we hope that the Assembly will work to ensure that funding for such efforts includes the AHPTC.

- **Fund Short-Term Rental Assistance Programs** — With 4.6 million unemployment claims filed since March 12, 2020, short-term rental assistance is needed to keep millions of California families in their homes. Helping families make timely rent payments will also benefit small landlords who rely on rental income and allow landlords to make their own mortgage payments and avoid foreclosure. Any funding directed to these programs should include robust reporting and accountability measures, including collection of key data, to ensure full transparency and allow for data-driven policymaking. The May Revise emphasizes the outsized need for rental support, and we hope the Assembly will prioritize that need in the final budget.
- **Fund Legal Assistance for Low-Income Renters** — Providing legal assistance and education to low-income tenants in eviction cases is another cost-effective way to prevent displacement and homelessness. Studies have demonstrated that eviction defense programs promote settlement agreements, keep tenants housed, and reduce court costs, preventing homelessness and preserving scarce judicial and public resources. Notably, these programs are estimated to generate approximately \$4.50 in savings for each dollar invested. Any funds set aside for these efforts should also include strong reporting and accountability measures. We commend the proposal to direct funds from the National Mortgage Settlement for renter legal aid services and ask that the Assembly work to keep that funding in the budget.
- **Ensure Strict Accountability for Homelessness Prevention Funding** — As with all public expenditures, any funding directed to these programs should include robust reporting and accountability measures to ensure full transparency and allow for data-driven policymaking.

The targeted proposals outlined above will enable us to provide immediate relief to those most at risk, conserve scarce public resources, leverage federal funding, and reduce the number of Californians living on our streets. These proposals are also broadly supported by groups and organizations across the political spectrum, including tenants’ groups, landlords, realtors, labor unions, legal services providers, social justice and anti-poverty groups, and homeless advocates.

Thank you for your consideration of this request. Should you have any questions, please do not hesitate to contact any of our offices.

Sincerely,

JESSE GABRIEL
Assemblymember, 45th District

BUFFY WICKS
Assemblymember, 15th District

DAVID CHIU
Assemblymember, 17th District

TODD GLORIA
Assemblymember, 78th District

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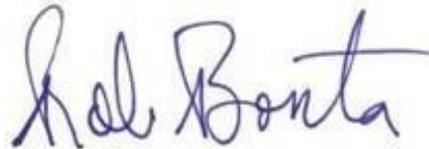
CHRISTY SMITH
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LUZ RIVAS
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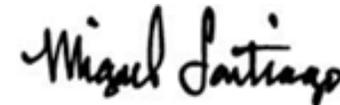
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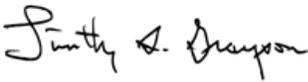
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cc: Assembly Speaker Anthony Rendon
Assemblymember Shirley Weber
Assemblymember Jim Cooper