



September 2, 2016

1100 K Street  
Suite 101  
Sacramento  
California  
95814

Telephone  
916.327.7500

Facsimile  
916.441.5507

The Honorable Edmund G. Brown, Jr.  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

**Re: AB 723 (Chiu) – Housing: finance  
REQUEST FOR SIGNATURE**

Dear Governor Brown:

The California State Association of Counties (CSAC) respectfully requests your signature on AB 723 by Assembly Member David Chiu. This measure would allow the Director of the Department of Housing and Community Development (HCD) to include as eligible recipients for the Community Development Block Grant (CDBG) program local agencies with one or more current CDBG agreement signed in 2012 or later, for which the expenditure deadline established in the grant agreement or agreements has not yet passed.

In light of California's ongoing housing crisis, it is vitally important to ensuring that non-entitlement counties (those with unincorporated area populations of less than 200,000) can access CDBG funding that supports local housing and infrastructure projects—even if factors beyond the applicant's control have prevented the agency from expending more than half of its program funds. Under existing law and HCD regulations, applicants with at least one CDBG award for which they have not expended at least 50 percent of funds awarded in 2012 or later are ineligible to apply for additional grants. Counties have reported that a variety of circumstances beyond their control, including delays in getting contracts approved and another bottleneck issues, may prevent them from accessing CDBG funding in the upcoming round if AB 723 is not adopted.

This bill would allow reasonable flexibility to ensure that CDBG funds continue to flow to much-needed projects that support housing and related infrastructure development in non-entitlement counties. Given the state's ongoing housing affordability crisis, removing this potential barrier to housing development or the construction of supporting infrastructure with CDBG funds is well warranted.

It is for these reasons that CSAC respectfully requests your signature on AB 723. Should you have any further questions please do not hesitate to contact me at [kvalentine@counties.org](mailto:kvalentine@counties.org) or 916-327-7500 ext. 566.

Sincerely,

A handwritten signature in blue ink that reads "Kiana Valentine".

Kiana Valentine  
Legislative Representative

cc: The Honorable David Chiu, California State Assembly  
Graciela Castillo-Krings, Deputy Legislative Secretary, Governor's Office