



September 3, 2020

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The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Subject: AB 434 (Daly): Housing financing programs – Request for Signature

Dear Governor Newsom:

On behalf of the California State Association of Counties (CSAC), I respectfully request your signature on Assembly Bill 434 by Assembly Member Daly. This bill would help streamline affordable housing grant programs under the Department of Housing and Community Development (HCD) by aligning application requirements and procedures.

Local governments in California are required to adopt land use plans to accommodate housing development for residents at all income levels. In recent years, the State of California and local governments have significantly increased funding to support the development of housing affordable to California's lower-income families and individuals. Through state and local bond measures, a dedicated stream of funding for affordable homes from Senate Bill 2 (2017, Atkins), and one-time allocations of state general fund revenue, significant new resources are now available to support the development of desperately-needed affordable homes.

Despite this progress, the subsidy available to build new affordable homes remains inadequate to meet regional housing needs allocations goals and the needs of lower-income California households. Moreover, affordable housing projects are nearly always constructed using a combination of federal, state, local, and private sector resources. The need to compete for scarce funding and blend various grant opportunities increases costs for affordable developers. By aligning procedures of the financing programs under the purview of HCD, AB 434 will help stretch this limited funding as far as possible and create additional homes for lower-income Californians.

Thank you for your consideration of our request. Should you have any questions regarding our position, please contact me at (916) 650-8180 or clee@counties.org.

Sincerely,

A handwritten signature in black ink that reads "Chitzy".

Christopher Lee
Legislative Representative

cc: The Honorable Tom Daly, California State Assembly
Ronda Paschal, Deputy Legislative Secretary, Office of Governor Newsom