

April 26, 2016
Issue #32

Assembly Democrats Unveil \$1.3 Billion Affordable Housing Package

The Assembly Democratic Caucus on Monday, April 25 announced a one-time \$1.3 billion budget proposal to help address how California's affordable housing crisis hits the state's most struggling residents — working, lower-income families, the homeless and those at risk of becoming homeless. [Addressing affordable housing and chronic homelessness](#) is among the League's top three policy priorities for 2016 and the League is encouraged to see this proposal emerge as budget negotiations begin to take shape.

The details of this proposal were [released in a letter](#) from Assembly Member David Chiu (D-San Francisco), who serves as chair of the Assembly Committee on Housing and Community Development, and Assembly Member Tony Thurmond (D-Richmond) to Assembly Member Adrin Nazarian (D-Sherman Oaks), who serves as chair of the Assembly Budget Subcommittee No.4 on Administration. The letter is signed by a number of other legislators.

The legislators maintain that investing one-time state budget surplus funds in affordable housing makes sense, and would create jobs as well as assist struggling households.

"While we continue to work on a permanent funding source for affordable housing in the state, Californians cannot wait," the legislators wrote. "Immediate action is needed. We need to make a strategic investment in this budget year to address our housing crisis."

In addition, Assembly Member Chiu issued a [press release summarizing](#) the proposal. Funding would be allocated in a combination of grants, development subsidies and tax credits.

The proposal focuses on five main areas:

- **Rental housing:** \$300 million for housing tax credits and \$200 million for multifamily housing production programs for lower income working families;
- **Assisting Homeownership:** \$200 in funding grants to local agencies for assistance to workforce housing in the state's high-cost areas and \$200 million for the existing CalHome program;
- **Farmworker Housing:** \$50 million for the Joe Serna Farmworker Housing Grant Program, \$25 million for farmworker housing tax credits and \$250,000 for the Napa County Farmworker Housing Centers.
- **Homeless Assistance:** \$200 million for multifamily supportive housing, \$60 million for the Medi-Cal Housing Program, and \$40 million for the Emergency Shelter Grant Program; and
- **Seismic Retrofit:** \$60 million in income tax credits for seismic retrofitting of "soft-story" buildings.

The Assembly proposal differs from Senate President pro Tem Kevin de León's (D-Los Angeles) [No Place Like Home initiative](#), which he announced in January. The League at its February board of directors meeting [took a support in concept](#) on the Senate proposal. The Senate proposal focuses primarily on constructing \$2 billion in housing for the mentally ill homeless, using Proposition 63 funds as a revenue source. However, the Senate proposal also seeks a four-year commitment of \$200 million per year in General Fund dollars to assist the homeless. Both legislative houses now have major proposals for affordable housing heading into budget discussions with Gov. Jerry Brown.

The League on April 26 sent in a [letter of support](#) for the Assembly proposal because its principles are consistent with the organization's policy priorities on affordable housing. The League looks forward to working with Assembly Member Chiu, Assembly Member Thurmond and other legislators on this important issue as it develops.

Next Steps

Budget discussions will heat up in a few weeks after the Governor releases his May Revise in the second week of May. A hearing date on the Assembly proposal in the Assembly Budget Subcommittee No. 4 has not been set.