

March 4, 2021

The Honorable Cecilia Aquiar-Curry California State Assembly State Capitol, Room 5144 Sacramento, California 95814

Subject: ACA 1 - SUPPORT

Dear Assemblymember Aguiar-Curry:

The California Housing Partnership writes in strong support of ACA 1, which will lower the necessary voter threshold from a two-thirds supermajority to 55% to approve local general obligation bonds and special taxes for affordable housing and public infrastructure. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing and to address the numerous local public infrastructure challenges they face.

As part of the <u>Roadmap Home 2030</u>, the Partnership has calculated that California over the next ten years needs 1.2 million additional affordable homes, or 120,000 per year, to meet the needs of low-income Californians, including those experiencing homelessness. In 2020 California set an all-time annual record with the production of roughly 20,000 affordable rental homes, only one-sixth of the annual need. Clearly, stronger tools are needed. We estimate that ACA 1 over ten years will generate \$3 billion in additional revenue to support 29,000 additional affordable homes.

The California Constitution currently requires a two-thirds vote at the local level for both general obligation bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for. However, local school districts can seek approval for bonded indebtedness with only a 55% vote threshold for the construction, reconstruction, rehabilitation, or replacement of schools.

ACA 1 will level the playing field and create parity with school districts so that cities, counties, and special districts have a viable financing tool to help address important community needs

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for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent.

ACA 1 will greatly enhance the tools available to local governments to address their dire affordable housing and infrastructure needs. Thank you for authoring this important legislation.

Sincerely,

Jul Stivers

Mark Stivers Director of Advocacy

