**Please submit a support letter here:** <https://calegislation.lc.ca.gov/Advocates/>**– On your letter head**

**Sample Support Letter – AB 2186 (Grayson)**

**Housing Cost Reduction Incentive Program**

**Send Copy to:** [Steven.Stenzler@asm.ca.gov](mailto:Steven.Stenzler@asm.ca.gov)

**[ADD DATE]**

Assemblymember Tim Grayson

1021 O Street, Suite 5510

Sacramento, CA 94293

**Re: AB 2186 (Grayson) - Support**

Dear Assemblymember Grayson,

[**Name of Your Organization**] is proud to support AB 2186, your bill create the Housing Cost Reduction Incentive Program.

According to [Roadmap Home 2030](https://roadmaphome2030.org/app/uploads/2021/03/Roadmap-Home-Report-1.pdf), California needs to build 1.2 million additional affordable homes over the next ten years in order to meet the needs of low-income households. Yet, California has never produced more than 20,000 new affordable rental homes in any year. One of the many factors inhibiting increased production is the high impact fees local governments charge all new development to address infrastructure needs. A [2019 Terner Center at UC Berkeley report](https://ternercenter.berkeley.edu/blog/residential-impact-fees/) found that California’s fees are especially high and can exceed $150,000 per unit, not including utility fees. A [2014 California Affordable Housing Cost Study](https://www.treasurer.ca.gov/ctcac/affordable_housing.pdf) found that development impact fees and lesser permitting fees on average represent 6% of the total cost, net of land, of an affordable housing development. These impact fees are particularly problematic for the builders of affordable homes as they significantly increase the need for scarce public subsidies, money that could otherwise fund additional affordable units.

AB 2186 encourages cities and counties to waive or reduce impact fees for affordable rental housing developments by reimbursing them 50% of the value of waivers or reductions granted. This bill will significantly reduce the cost of development and allow for available subsidies to support increased production of affordable rental homes. The state will share the burden of lost local fee revenue and provide resources to meet local infrastructure needs. Thank you for authoring this important measure.

Sincerely,

**Your Name and Title**