[March xx, 2020]

The Honorable Catherine Blakespear

1021 O Street, Suite 7340

Sacramento, CA 95814

**RE: SB 482 – SUPPORT**

Dear Senator Blakespear,

The undersigned organizations are pleased to support of SB 482, your bill to require the Department of Housing and Community Development (HCD) to offer capitalized operating subsidy reserves (COSRs) in its Multifamily Housing Program (MHP).

Research by the Corporation for Supportive Housing shows that California has a shortfall of over 60,000 beds for those that suffer from homelessness that need supportive housing.[[1]](#footnote-1) Supportive housing is crucial in getting people out of homelessness because it pairs housing with services to help heal and train people.

COSRs are a vital financing tool to create long-lasting permanent supportive housing. A COSR is money upfront to cover losses by supportive housing for 15-20 years. By financing shortfalls upfront, banks are more comfortable providing money to these developments.

HCD has provided COSRs in programs like No Place Like Home and the Veteran’s Housing and Homelessness Prevention Program. However, these programs are running out of funding, and HCD is consolidating programs to increase efficiency.

SB 482 requires HCD to offer COSRs in its MHP program, the flagship housing program at HCD. In this way, HCD can directly fund supportive housing through MHP without developers having to apply for additional programs. Additionally, as certain program run out of funds, this bill ensures that developments that serve out most vulnerable populations are not left behind due to funding shortfalls.

We respectfully request an Aye vote for this important measure that requires HCD to offer COSRs in MHP so that developments that serve homeless people continue to get necessary funding to be built.

Thank you,

1. [The California Homeless Housing Needs Assessment](https://calneeds.csh.org/wp-content/uploads/2023/01/CSH_The-California-Homeless-Housing-Needs-Assessment-Report_Final.pdf) [↑](#footnote-ref-1)