Date

The Honorable Anamarie Ávila Farías

1021 O Street, Suite 6140

Sacramento, CA 95814

**RE: AB 726 - SUPPORT**

Dear Assemblymember Ávila Farías:

[**Name of Your Organization**], is pleased to support for AB 726, your bill to incentivize local investment in the rehabilitation of deeply-affordable housing.

Much of the affordable housing that the Department of Housing and Community Development (HCD) funded pre-2000 have extremely affordable rents that barely cover, if even that, the development’s annual operating expenses. In other words, these developments have no extra money to fund long-term repairs. The only funding source developed to address this need is the Portfolio Restructuring Program (PRP) at HCD, which was funded at low levels during the last surplus but has since run out of money. Properties cannot wait much longer for repair. Rehabilitating these developments is critical to ensure that tenants do not end up living in substandard conditions or, in a worst case scenario, California permanently loses this critical affordable housing stock to disrepair.

AB 726 allows cities and counties to get credit on their housing element annual report for contributing to the substantial rehabilitation of deeply-targeted aﬀordable housing. This incentivizes local governments to commit funding to the rehabilitation of these most needy developments, funding that currently exists nowhere else. It also evens the playing field, allowing local governments to meet their highest housing needs, whether the rehabilitation of existing deeply-affordable housing or new construction. AB 726 provides a crucial pathway for local governments to meet their housing obligations while addressing the urgent need to preserve our existing deeply-affordable housing. Thank you for authoring this important measure.

Sincerely,

Your name and title