



Chair
Supervisor Kelly Long

Vice Chair
Supervisor Susan Ellenberg

1100 K Street, Suite 101 ■ Sacramento, CA ■ 95814 ■ (916) 327-7531 ■ grace@urbancounties.com

March 2, 2020

The Honorable Jesse Gabriel
Member, California State Assembly
State Capitol, Room 4139
Sacramento, CA 95814

**Re: AB 2058 (Gabriel) – Affordable Housing Preservation Tax Credit
As Introduced on February 4, 2020 – NOTICE OF SUPPORT**

Dear Assembly Member Gabriel,

On behalf of the Urban Counties of California (UCC), a coalition of California's largest counties, I write to express our support for your bill AB 2058, which would create an Affordable Housing Preservation Tax Credit (AHPTC) to incentivize the preservation of existing affordable apartment properties and mobile-home parks.

According to the California Housing Partnership, more than 1.4 million California households are in need of affordable housing. While increasing the supply of affordable rental homes is critical, we must also preserve the affordable housing that currently exists so that this need does not grow greater. Between 1997 and 2018, California lost 15,044 affordable rental homes as affordability restrictions expired. Another 34,554 affordable rental homes are at risk of converting to market-rate rentals in the near future. In the next five years, Los Angeles alone might lose over 8,500 income-restricted apartments to the market.

This bill creates the AHPTC to incentivize the preservation of existing affordable apartment properties and mobile home parks. The credit would be used by nonprofit housing organizations to keep at-risk units affordable. A \$500 million initial allocation would preserve roughly 25,000 affordable units, at the cost of \$20,000 each. This allowance will preserve units at a fraction of the cost to the state by replacing those units through new construction. By preventing units from converting to market rates, we can keep vulnerable families housed, prevent homelessness, and keep up our valuable affordable housing stock.

Board of Directors: **Chair:** Supervisor Kelly Long, Ventura County **Vice Chair:** Supervisor Susan Ellenberg, Santa Clara County **Treasurer:** Emily Harrison, Finance Director, Santa Clara County **Members:** Supervisor Keith Carson, Alameda County; Supervisor Federal Glover, Contra Costa County; Supervisor Ernest Mendes, Fresno County; Supervisor Mark Ridley-Thomas, Los Angeles County; Supervisor Lisa Bartlett, Orange County; Supervisor Chuck Washington, Riverside County; Supervisor Susan Peters, Sacramento County; Supervisor Greg Cox, San Diego County; Supervisor Curt Hagman, San Bernardino County; Vacant, San Francisco County; Supervisor Tom Patti, San Joaquin County; Supervisor Carole Groom, San Mateo County

For these reasons, UCC supports AB 2058. Please do not hesitate to reach out if I can be of further assistance. I can be reached at 916.272.0010 or jkh@hbeadvocacy.com.

Sincerely,



Jean Kinney Hurst
UCC Legislative Representative

cc: The Honorable Autumn Burke, Chair, Assembly Revenue and Taxation Committee
Honorable Members, Assembly Revenue and Taxation Committee
Consultant, Assembly Revenue and Taxation Committee
Consultant, Assembly Republican Caucus