

TREASURER JOHN CHIANG'S AFFORDABLE HOUSING INITIATIVE

MORE HOMES FOR MORE CALIFORNIANS



THE PROBLEM:

Millions of Californians in all parts of the state can't secure safe, healthy and affordable rental homes. The Golden State is short an incredible 1.5 million units, and the deficit is worsening.

Current efforts are not meeting the burgeoning demand. They produce only about 13,850 units a year.

NUMBER OF AFFORDABLE HOMES CURRENTLY NEEDED IN CALIFORNIA:

1.5 MILLION

NUMBER OF NEWLY BUILT OR REHABILITATED AFFORDABLE HOMES PRIOR TO REFORMS:

14,144*

*TOTAL FROM 2014

“ PERSISTENTLY HIGH COST OF HOUSING CONTRIBUTES TO A RELATIVELY WEAKER BUSINESS CLIMATE IN CALIFORNIA.”

STANDARD & POOR'S RATINGS SERVICES, FEB. 23, 2015

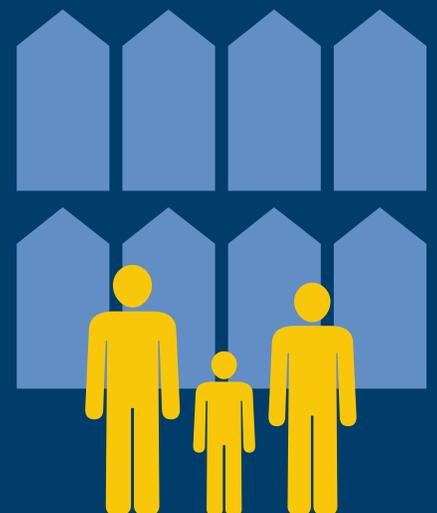
“ THE STATE'S HIGH HOUSING COSTS MAKE CALIFORNIA A LESS ATTRACTIVE PLACE TO CALL HOME, MAKING IT MORE DIFFICULT FOR COMPANIES TO HIRE AND RETAIN QUALIFIED EMPLOYEES.”

LEGISLATIVE ANALYST'S OFFICE, MARCH 17, 2015



“ OVERCROWDING AND POOR-QUALITY HOUSING HAVE A DIRECT RELATIONSHIP TO POOR MENTAL HEALTH, DEVELOPMENTAL DELAY, HEART DISEASE.”

HOME IS WHERE THE HARM IS: INADEQUATE HOUSING AS A PUBLIC HEALTH CRISIS, THE AMERICAN JOURNAL OF PUBLIC HEALTH, 2002



THE SOLUTION:

Treasurer Chiang's Affordable Housing Initiative has spurred a significant jump in housing production by unlocking previously untapped federal funds and driving down construction costs.

The Treasurer's reforms to the state's largest affordable housing program resulted in 2016 being a record year for production.

“THESE CHANGES CONSTITUTE THE MOST SIGNIFICANT CHANGES TO THE TAX CREDIT PROGRAM IN 15 YEARS.”

ALAN GREENLEE, EXECUTIVE DIRECTOR, SOUTHERN CALIFORNIA ASSOCIATION OF NON-PROFITING HOUSING

HOW HOUSING REFORMS MAKE MORE PROJECTS POSSIBLE

BEFORE



Prior to Treasurer John Chiang's reforms, many multi-million dollar housing projects lacked funding and could not be built.

Contributing factors included:

- Higher land costs
- End of redevelopment stripped \$1 billion in dedicated funds for affordable housing construction
- State housing bond fund dried up

NOW



More Housing Projects Can Be Built Because:

1. Construction costs are lowered by cutting red tape.

The reforms:

- ✓ **Eliminated unnecessary market studies and appraisals**
- ✓ **Allowed developers to combine multiple applications into one**
- ✓ **Increased menu of options for meeting eligibility requirements**
- ✓ **And much more...**

2. Developers enjoy additional private financing because of reduced operational costs.

3. More developer costs are eligible for previously untapped federal tax credits. The credits unlock private capital used to build more affordable housing.

TOTAL UNITS BUILT OR REHABILITATED BETWEEN 2009 & 2016



SINCE 2014, THE NUMBER OF UNITS PRODUCED HAS JUMPED BY

80%

“THESE PROPOSALS WILL HELP US ADDRESS THE AFFORDABILITY CRISIS IN OUR STATE AND BENEFIT MANY LOWER-INCOME FAMILIES AND INDIVIDUALS.”

MICHAEL LANE, POLICY DIRECTOR, NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA