



February 10, 2021

The Honorable Cecilia Aguiar-Curry
California State Assembly
State Capitol, P.O. Box 942849
Sacramento, CA 94249-0004

RE: ACA 1 (Aguiar-Curry) – Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval – SUPPORT

Dear Assemblymember Aguiar-Curry,

East Bay Housing Organizations (EBHO) is pleased to support ACA 1, which empowers local voters and provides a path out of California's housing affordability crisis by lowering the approval threshold to 55% for affordable housing and infrastructure revenue measures. Affordable housing is not only a critical tool to protect against COVID-19 now, but also a foundation for our state's health and success ahead. We are grateful to all of our state leaders for developing emergency solutions while continuing to advance long-range solutions for all of our communities.

EBHO is a non-profit, member-driven organization with over 500 organizational and individual members. For 35 years, we have worked to preserve, protect, and create affordable housing opportunities for low-income communities in the East Bay by educating, advocating, organizing, and building coalitions. We believe that solutions to California's severe housing crisis must be comprehensive. As such, we support a multi-pronged effort based on the three principles of production of new housing, preservation of existing housing that is affordable, and protection of residents from unaffordable rent increases, eviction, displacement, and homelessness.

The California Constitution currently requires a two-thirds threshold of voter approval at the local level for general obligation bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for. In 2018, an overwhelming majority of voters from Santa Cruz County, the City of Santa Rosa, and the City of San Jose supported local measures totaling \$714 million in dedicated funding for the production of affordable housing. However, even though each of these measures received strong majority support from voters (more than 55%), the policies weren't passed into law due to the severely restrictive two-thirds threshold needed to secure voter approval.

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Local revenue is an important component to create affordable homes and can often free up five state and federal dollars for every one local dollar spent on a project. **The two-thirds threshold cost these local communities an estimated \$3.5 billion in new funding for affordable housing development, when accounting for this state and federal match.**

By providing local governments a more realistic financing option to increase affordable homes and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing, ACA 1 will support local voters' decision-making opportunities. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. Moreover, ACA 1's process is designed to ensure that it represents the will of California's voters. If approved by the Legislature, the proposal would still need to be approved during a statewide election. This would further demonstrate that voters support this change. Californians want to have an impact on their communities, because they know best what their families and neighbors need, and lawmakers must give them this opportunity by passing ACA 1 and referring it to the voters at the ballot box.

We thank you for introducing this bill and look forward to working to secure its passage.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Levin".

Jeffrey Levin
Policy Director