



April 6, 2021

The Honorable Buffy Wicks
California State Assembly
State Capitol, Room 5160
Sacramento, CA 95814

Re: Support for AB 528 (Abandoned Lots and Properties into Opportunity Act)

Dear Assemblymember Wicks,

MidPen Housing Corporation strongly supports AB 528 (Wicks), which will remove blighted properties from neighborhoods, allow affordable housing developers to build in more places, and remove tax delinquent properties from the County ledger.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 100 communities and 8,000 homes for low-income families, seniors, including homeless families and individuals, and those with supportive housing needs throughout Northern California.

The COVID-19 pandemic continues to cripple our state, drive unemployment, and push renters closer to the brink of homelessness. Also, more homeowners are falling behind in their tax payments and drowning in debt, while wealth and prosperity for the upper echelon grow. Now more than ever it is critical to help keep tenants housed, homeowners out of collapse, and in the event that a second home falls into tax delinquency, that those properties be converted into affordable housing while keeping existing tenants housed.

Currently, California law gives non-profit affordable housing developers and public agencies the first option to purchase tax-defaulted properties three years after tax delinquency through the Chapter 8 Tax Defaulted Property sale. The program is a unique opportunity to acquire vacant and/or blighted sites often at a cheaper price and then transform them into affordable housing which will serve the community for decades. However, this process is extremely underutilized. According to the State Controller, **only 55 tax-delinquent properties statewide have been repurposed as affordable housing over the past 10 years.**

AB 528, the Abandoned Lots and Properties into Opportunity Act is a smart solution for our communities because it removes blighted properties from neighborhoods, turns abandoned homes into affordable housing, gives non-profits access to affordable properties to develop, and removes tax delinquent properties from the County ledgers, all while keeping existing tenants housed.

AB 528 will modernize and update the existing and cumbersome Chapter 8 process by:

- Increasing the length of required affordability from 30 years to 55 years.
- Incentivizing cities and county tax collectors to work together and with non-profit affordable housing developers to incentivize blighted properties to be converted to affordable housing.
- Allowing tenants to purchase the property first before it goes into tax sale and guaranteeing tenants replacement units at rents or sales prices affordable to them if the property is redeveloped as affordable housing.
- Reducing the time it takes for a nonprofit or public agency to acquire a tax-defaulted property.
- Requiring a timely application process.
- Creating a statewide list of available properties for affordable housing preservation and development.
- Directing the State Controller's Office to work with Counties to develop a standardized process.

Thank you for your leadership in drafting legislation that will create hundreds, if not thousands, of affordable housing opportunities throughout the state, while strengthening neighborhoods, municipal budgets, and non-profit organizations. As an affordable housing nonprofit and as a member of the Non-Profit Housing Association of Northern California (NPH), we look forward to working with you to pass this important legislation.

Sincerely,



Matthew O. Franklin
President & Chief Executive Officer
MidPen Housing Corporation

Cc:

Nevada Merriman, Director of Policy

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