

June 15, 2022

The Honorable Senator Cortese
California State Senate
State Capitol, Room 3070
Sacramento, CA 95814

Re: SUPPORT SB 649 (Cortese) – Affordable Housing: Local Tenant Preference

Dear Senator Cortese,

On behalf of MidPen Housing Corporation, I am writing in support of SB 649, which will provide greater access to affordable housing for people facing displacement.

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, and those with supportive housing needs throughout Northern California.

We all know that California is in a housing crisis, and COVID-19 has amplified the displacement pressures experienced by California's most vulnerable populations. Displacement causes lower-income residents, disproportionately people of color in many California communities, real tangible problems: physical health, mental health, and educational deficiencies.

Local Tenant Preferences are a critical tool many cities have used to help prioritize the efficient use of scarce affordable housing resources. They can help stabilize neighborhoods and keep people from being uprooted from their homes and networks. Local tenant preferences can also help reduce opposition to affordable housing development and enhance the predictability of development. However, preferences that benefit local residents at risk of displacement rather than a specific type of person, like a teacher or a veteran, lack Statewide legislative support needed to use them in affordable housing developments funded with tax credits and/or bonds.

We support SB 649's fix of this problem, aligning tenant preferences that help avoid displacement with Internal Revenue Code requirements so that tax credits and bonds can be used reliably and without concerns about much-needed affordable housing. We cannot afford delays in affordable housing construction or to have developments move forward without these crucial preferences for vulnerable local residents. In contrast, the validity of these tenant preferences is debated.



Building Communities. Changing Lives.

We support SB 649' technical fix so that local governments can better prevent the displacement of vulnerable local residents. We look forward to working together to pass SB 649.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew O. Franklin".

Matthew O. Franklin
President & CEO, MidPen Housing Corporation

cc:

Senator Mike McGuire
Senator Bill Dodd
Senator Jim Nielsen
Senator Steve Glazer
Senator Nancy Skinner
Senator Bob Wieckowski
Senator Scott Wiener
Senator Anna Caballero
Senator Josh Becker
Senator Dave Cortese
Senator John Laird
Assemblymember Marc Levine
Assemblymember Jim Frazier
Assemblymember Rebecca Bauer-Kahan
Assemblymember Mia Bonta
Assemblymember Phil Ting
Assemblymember Bill Quirk
Assemblymember Kevin Mullin
Assemblymember Marc Berman
Assemblymember Alex Lee
Assemblymember Ash Kalra
Assemblymember Mark Stone
Assemblymember Robert Rivas
Nevada V. Merriman, Director of Policy, MidPen Housing