

April 28, 2023

The Honorable Cecilia Aguiar-Curry California State Assembly
O Street, Suite 6350
1021 Sacramento, CA 95814

Re: ACA 1 - Support

Dear Assemblymember Aguiar-Curry,

MidPen Housing Corporation is proud to support your measure ACA 1, which supports local voters' decision-making opportunities by offering a more realistic financing option to increase affordable homes and to address their local public infrastructure challenges, by lowering the vote approval threshold to 55% for affordable housing and infrastructure revenue measures.

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 125 communities and 8,500 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

The California Constitution currently requires a two-thirds threshold of voter approval at the local level for both 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 City of San Jose supported three 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 (reaching at least 55% support), the policies failed to be passed into law owing to the severely restrictive two-thirds threshold needed to secure voter approval. Local revenue is an important component to create local 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.

ACA 1 will strengthen local communities and level the playing field and create parity with school districts so that cities, counties, and special districts have a viable financing tool to address critical community needs for affordable homes and public infrastructure. 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.



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The bill also provides specific requirements for voter protection, public notice, and financial accountability.

And ACA 1's process is designed to ensure that it represents voters' will. If approved by the Legislature, the proposal would then have to achieve voter approval during a statewide election. This would further solidify the fact 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 voters' ballots.

Thank you for your leadership on this important issue.

Sincerely,

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

Matthew O. Franklin
President and CEO
MidPen Housing Corporation

cc:

Nevada V. Merriman, Director of Policy, MidPen Housing
Senator Mike McGuire
Senator Bill Dodd
Senator Susan Eggman
Senator Steve Glazer
Senator Nancy Skinner
Senator Aisha Wahab
Senator Josh Becker
Senator Dave Cortese
Senator John Laird
Senator Alex Padilla
Senator Diane Feinstein
Assemblymember Jim Wood
Assemblymember Cecilia Aguiar-Curry
Assemblymember Lori Wilson
Assemblymember Damon Connolly
Assemblymember Phil Ting
Assemblymember Matt Haney
Assemblymember Mia Bonta
Assemblymember Rebecca Bauer-Kahan
Assemblymember Liz Ortega
Assemblymember Diane Papan
Assemblymember Marc Berman



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Assemblymember Alex Lee
Assemblymember Evan Low
Assemblymember Ash Kalra
Assemblymember Gail Pellerin
Assemblymember Robert Rivas
Assemblymember Dawn Addis