

April 2, 2024

Assemblymember Alvarez
1020 N St., Suite 5320
Sacramento, CA 95814

RE: AB 2430 (Alvarez) – Eliminating Duplicative Local Monitoring Fees - SUPPORT

Dear Assemblymember Alvarez,

MidPen Housing proudly supports AB 2430 (Alvarez), your bill to eliminate duplicative local monitoring fees for affordable housing developments that utilize State Density Bonus Law.

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 130 communities and 9,400 homes for low-income families, seniors, and those with supportive housing needs throughout Northern California.

All affordable housing developments in California that receive state funding are subject to compliance monitoring by the state to ensure that the units are occupied by a tenant at an eligible income level and to ensure that developments meet habitability standards. Compliance monitoring is performed by the California Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD). For example, TCAC’s compliance monitoring program collects information annually on tenant income and conducts regular physical inspections of units and buildings in each development to ensure they are habitable. To pay for the compliance monitoring, both TCAC and HCD charge a fee to cover their costs. In addition, all non-compliance to federal requirements or reporting failures during the federal credit compliance period are required to be reported to the Internal Revenue Service.

Currently, some cities and counties also conduct their own monitoring programs and levy their own local fee. This means that projects that receive state funding are charged multiple times for monitoring activities that are in most cases redundant or extraneous, yet impose additional financial strain for affordable housing developers who already struggle to make development pencil.

AB 2430 would prohibit cities and counties from charging affordable housing developers for local compliance monitoring if the development uses Density Bonus law and is subject to a monitoring agreement with TCAC, CDLAC, or HCD.

AB 2430 would lower the cost of affordable housing development without compromising continued compliance with affordability and habitability requirements at the state level.



Building Communities. Changing Lives.

Thank you for your consideration and please feel free to contact Nevada V. Merriman, Vice President of Policy & Advocacy, at 650-477-6195 or nmerriman@midpen-housing.org.

Sincerely,

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

Matthew O. Franklin
President and CEO

CC: Nevada Merriman, Vice President of Policy & Advocacy