

March 28, 2024

The Honorable Jesse Gabriel
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: AB 3160 - SUPPORT

Dear Assemblymember Gabriel:

MidPen Housing is pleased to support AB 3160, your bill to increase affordable housing production by making permanent the enhanced state Low-Income Housing Tax Credit (Housing Credit).

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.

Not only is California failing to meet its affordable housing need, but it is also leaving billions of dollars in available federal Housing Credits on the table. The root cause for both is the lack of state subsidy for affordable housing development. Without state resources to fill financing gaps, such as the state Housing Credit, a developer cannot use the federal Housing Credits or proceed to construction.

Moreover, because it takes years to bring an affordable housing development to fruition, developers need certainty that funding will remain available. Unlike most tax credits that are permanent or even the film tax credits that is locked in for five years, the \$500 million in enhanced state Housing Credits is subject to budget approval every year, creating troubling uncertainty and risk.

AB 3160 makes the \$500 million in annual enhanced state Housing Credits permanent. This will not only create tens of thousands of new homes, each affordable for 55 years, but also will leverage a greater amount of federal Housing Credits as well as private mortgage financing. Moreover, whereas developers plan new developments years in advance, a permanent enhanced state Housing Credit will create the predictability that is so vital to the affordable housing development community. Thank you for authoring this critically important legislation.

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,



Matthew O. Franklin
President and CEO

CC: Nevada Merriman, Vice President of Policy & Advocacy