

**June 6, 2025**

The Honorable Eloise Reyes  
California State Senate  
1021 O Street, Suite 7210  
Sacramento, CA 95814

**RE: SB 686 (Reyes) – HCD Loan Payoffs – SUPPORT**

Dear Senator Reyes:

MidPen Housing is pleased to write to you in support of your bill SB 686, which would allow the California Department of Housing and Community Development (HCD) to approve the payoff of a department loan prior to the end of its term. SB 686 would also allow owners of affordable housing with HCD loans to leverage existing equity from housing projects, which would make it possible to unlock millions of dollars that could be used to support additional affordable housing opportunities.

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 139 communities and over 10,000 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

SB 686 would make it possible for HCD financed housing projects to be sold and refinanced, which would unlock millions of dollars that could be redeployed for affordable housing purposes. Allowing the refinancing or sales of HCD-financed projects would play a critical step in making additional funding available for affordable housing development.

For these reasons, we are pleased to support SB 686. Thank you for authoring this important legislation. Please feel free to contact Nevada V. Merriman, Vice President of Policy & Advocacy, at 650-477-6195 or [nmerriman@midpen-housing.org](mailto:nmerriman@midpen-housing.org).

Best Regards,



Matthew O. Franklin  
President and CEO

CC: Nevada V. Merriman, Vice President of Policy & Advocacy, MidPen Housing