



Building Communities. Changing Lives.

**April 3, 2026**

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

**RE: AB 2020 (Gabriel) – Financial Flexibility for Affordable Housing – SUPPORT**

Dear Assemblymember Gabriel:

MidPen Housing is pleased to write to you in support of your bill AB 2020, which would provide critical financial flexibility to help stabilize and preserve affordable housing across California.

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 140 communities and over 10,400 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

Affordable housing developments across California operate with extremely limited financial margins and rely on carefully structured reserves and operating income to remain viable over time. In recent years, many properties have faced significant financial strain due to rising insurance premiums, maintenance costs, and other operating expenses, particularly following the COVID-19 pandemic. When these developments experience operating deficits, the risk of financial distress or foreclosure increases, putting critical affordable housing units at risk.

AB 2020 would provide a practical solution to these challenges by allowing the California Department of Housing and Community Development to authorize the transfer of excess reserves or operating income between affordable housing developments that share the same sponsor or affiliated ownership. This flexibility enables developers to stabilize struggling properties using existing portfolio resources, helping ensure the long-term viability of affordable housing developments.

Preserving existing affordable housing is widely recognized as more cost-effective than building new units, particularly as California continues to confront a severe housing shortage. By allowing flexible and responsible financial management across affordable housing portfolios, AB 2020 helps safeguard homes for low-income Californians while protecting the state's long-term investments in affordable housing.

For these reasons, we are pleased to support AB 2020. 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,

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

Matthew O. Franklin  
President and CEO



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