July 28, 2023

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

RE: ACA 1 (Aguiar-Curry) Local government financing - SUPPORT

Dear Speaker Pro-Tem Aguiar-Curry,

On behalf of All Home, I am writing in strong support of ACA 1, your bill to amend the state Constitution to allow local general obligation bonds or sales taxes that finance affordable housing, permanent supportive housing, and infrastructure improvements to be approved by a 55% majority vote. All Home is a Bay Area organization focused on interrupting the cycle of homelessness and poverty by increasing the housing security and economic mobility of Californians with the lowest incomes. ACA 1 furthers our goals of reducing homelessness and poverty by creating an attainable funding source for local communities to meet their affordable housing goals.

With a deficit of 1.4 million homes affordable to people with low and extremely low incomes, California's severe affordable housing shortage is at the root of our state's homelessness crisis. While we need more than 180,000 homes built each year to reduce this serious shortage, only an average of 80,000 homes have been built each year for the past decade. Meanwhile, 75 percent of extremely low-income households pay more than half of their income on rent each month. The lack of affordable housing pushes people into poverty and exacerbates the homelessness crisis.

Cities, counties, and regions are essential partners in achieving California's housing goals, and the state legislature has a vital role to play in facilitating these local communities' ability to fund critically needed housing projects in their communities. Because local revenue can often unlock up to five state and federal dollars for every one local dollar spent on a project, it is an important component in the production of local affordable housing. However, the California Constitution currently requires that local general obligation bonds
and sales taxes for designated purposes be approved by two-thirds of the voters, regardless of what the city, county, or special district proposes to use the funds for.

This supermajority threshold is a barrier to communities meeting the needs of local residents, preventing measures that would generate resources for affordable housing, permanent supportive housing, and infrastructure projects, even in cases where a clear majority of the residents have voted to do so.

By setting the vote threshold for local affordable housing bond measures at 55 percent, ACA 1 will give Californians at the local level the opportunity and a viable financing tool to address affordable housing deficits in their own cities, counties, and special districts. Because a proposed bond or special tax would still need a majority, ACA 1 protects local voters’ decision-making over how their tax dollars are spent without requiring the often unreachable supermajority threshold. In addition to housing, ACA 1 gives communities the ability to direct funds to important public infrastructure needs, such as storm water management, transit development, park facilities, streets and roads, and broadband expansion, all of which are currently underfunded.

ACA 1 recognizes that Californians know what their families and neighbors need, and empowers them to make decisions that benefit their communities. For these reasons, All Home is proud to support ACA 1, and thanks you for your leadership in authoring this important legislation.

Sincerely,

Tomiquia Moss
Founder and CEO
All Home