May 1, 2018

The Honorable Jim Frazier

California State Assembly

State Capitol, Room 3091  
Sacramento, CA 95814

**Re:  AB 1792 (Frazier): Affordable Housing Authorities – SUPPORT**

Dear Assemblymember Frazier,

The Non-Profit Housing Association of Northern California (NPH) strongly supports your AB 1792, which authorizes Affordable Housing Authorities to provide for infrastructure to support the development of affordable housing.

As a membership organization of more than 750 affordable housing developers, advocates, community leaders and businesses, the collective NPH community has **created tens of thousands of affordable homes** and **supported hundreds of thousands of Bay Area residents and community members**.

**AB 1792 will make it easier to build affordable homes**

California has fallen behind on building enough safe and affordable homes relative to the needs of its working families, seniors, and people with disabilities. Most California families, including 50% of our moderate-income families, struggle to afford the cost of living in their local communities. The most vulnerable of them risk joining the over 134,000 Californians who are already homeless on any given night.

In 2017, the Legislature passed and the Governor signed AB 1598 which allows local governments to create Affordable Housing Authorities that can capture the tax increment produced by new commercial development and invest those revenues in the production of homes affordable to their workers without raising taxes. Affordable Housing Authorities provide local governments with a tool to redirect some existing resources in support of affordable housing to make up for the significant funding shortfall left by the State’s dissolution of Redevelopment Agencies. Affordable Housing Authorities, however, currently lack the power to make infrastructure investments that are critical to the development of affordable homes.

**AB 1792 will allow for Affordable Housing Authorities to invest in affordable housing-related infrastructure**

Affordable Housing Authorities provide a new tool for local governments to address the housing crisis by allowing local governments to make use of existing property taxes

and to issue bonds against those taxes to build more affordable homes. AB 1792 increases the utility of Affordable Housing Authorities by allowing them to directly invest in affordable housing-related infrastructure including investing in streets, roads, sidewalks, sewer lines, water lines, power lines, and gas lines within one-quarter mile of the affordable housing development. According to the 2014 State of California Affordable Housing Cost Study, infrastructure costs make up about 9% of the average affordable housing project costs. Given that affordable housing projects rely on numerous competitive and limited funding sources, such infrastructure investments would help local, state, and federal housing dollars go further, meaning thousands more Californians would have a place to call home.

Through this important change to the power of Affordable Housing Authorities, California will strengthen its ability to build thousands of new affordable homes all without raising taxes.

Thank you for your leadership in drafting legislation that will make it easier to build affordable homes in our state. We look forward to working with you to pass this important legislation.

Sincerely,



Amie Fishman

Executive Director

Non-Profit Housing Association of Northern California (NPH)