

# Mike Prandini: Affordable housing good for California

By Mike  
Prandini

California has a tremendous opportunity to create tens of thousands of jobs if state leaders can deliver on legislation to revive construction on affordable homes. These are jobs that can't be stolen by Florida or Texas, two states whose governors have made it their business to poach California companies.

Embarking on a statewide plan to build new affordable homes will spark continued economic growth and make it easier for families to find affordable places to live.

Construction on affordable home developments has essentially dried up over the last three years. Voter-approved bonds that spurred private investment in affordable development ran dry just as the need for affordable rental housing skyrocketed. The Legislature also eliminated redevelopment agencies, a primary tool for local governments to finance affordable housing. As demand for affordable development is hitting new heights, funding needed to get California building again is hitting a historic low.

According to a March, 2015 report by the Legislative Analyst's Office, the high cost of homes in California forces people to spend much more of their income on housing, pushes home ownership out of reach for many, forces people to live in crowded housing and commute further to their jobs — all making California a less desirable place to live. That, in turn, makes it more difficult for companies to hire and retain qualified employees, which ultimately drags down California's economic potential.

Assembly Speaker Toni Atkins, D-San Diego, has spearheaded a bipartisan effort in the Capitol to jump-start construction and jobs by building affordable homes. Her package of four affordable home financing bills work together to deliver an economic boost to California while closing the shortfall of housing affordable to the hard-working people vital to our economy — from medical assistants to preschool teachers and office clerks.

Keeping rents affordable over the long-term means developers must secure multiple sources of financing. California's successful public-private model won't work without state investment.

The connection between affordable homes and California job creation is so strong, legislation to restore state investment in affordable home development is a top priority of business groups from the California Building Industry Association to the Silicon Valley Leadership Group to the Orange County Business Council. What's more, the California Chamber of Commerce has backed AB 35 to help fund affordable development by increasing state housing tax credits by \$300 million annually.

Another bill, AB 1335, would establish a sustainable fund to help finance the construction of affordable homes. This fund would leverage up to \$2.8 billion in federal dollars invested in our state's economy each year, an opportunity that we must not waste. For every \$500 million dedicated to the state housing fund, 29,000 California jobs would be created, an investment well worth the \$75 recording fee on certain real estate documents — excluding home and commercial property sales.

For too many Californians, finding an affordable home is not just a struggle — it is fast becoming an out-of-reach dream. It is imperative that we act now to increase the number of safe, affordable places to live.

Mike Prandini is president and CEO of the Building Industry Association of Fresno/Madera Counties.