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Gov. Brown vetoes affordable housing funding bills

Rosalie Murphy

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Gov. Jerry Brown vetoed two bills that would have provided more than $1 billion for affordable housing projects, citing a need for fiscal responsibility.

Assembly Bill 35, which proposed to increase state housing tax credits by $100 million per year over five years, would have leveraged an additional $1 billion in federal funds for the development of affordable housing. The bill passed the state Assembly unanimously in September and received only two "no" votes in the state Senate.

And Senate Bill 377 would have made the state housing tax credit a "certified" credit, which would have increased the value of the credits by about 40 percent at no cost to the state, according to the bill's authors.

That bill passed both houses in the state Legislature unanimously before reaching Brown, who vetoed both bills last week.

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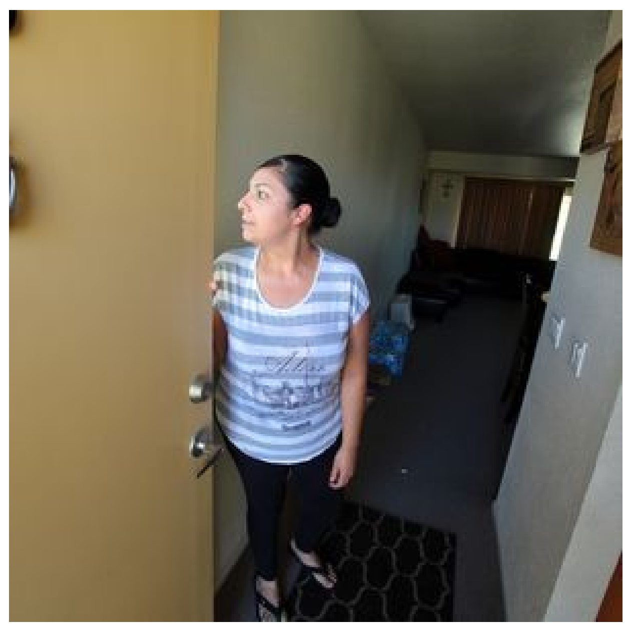
Affordable housing: Little funding to meet great need



"You had good bills in front of you that would've made small steps toward helping local governments address affordable housing needs and crises in their communities," said Matt Schwartz, CEO of the California Housing Partnership Corporation, an affordable housing advocacy group. "One of those bills, SB 377, doesn't cost the state a dime, but increases the value of an existing state resource by up to 40 percent. It is shortsighted and wrongheaded to veto a bill that would help without costing the state any money."

Brown vetoed the bills along with seven others proposing new tax credits.

"Despite strong revenue performance over the past few years, the state's budget has remained precariously balanced due to unexpected costs and the provision of new services," the governor wrote in a statement signed Oct. 10. "Given these financial uncertainties, I cannot support providing additional tax credits that will make balancing the state's budget even more difficult."

Schwartz dismissed that explanation, noting that the governor signed a bill expanding the California Film Tax Credit late last year.

"I think there are some explanations, but none of them satisfy me or anyone looking at how low-income folks are struggling to find housing," Schwartz said.

All of the Coachella Valley's representatives — Assemblymen Eduardo Garcia, D-Coachella, and Chad Mayes, R-Yucca Valley, and Sen. Jeff Stone, R-Temecula — voted for both bills.

The Coachella Valley has about 16,000 homes and apartments that are considered subsidized housing.

A California Housing Partnership Corporation (CHPC) study released in August found more than 90,000 Riverside County households at the "very low income" level or below. That means, if those are individuals, they earn $21,750 or less per year, and if they're families of four, their household income is at $31,050 or below. The same study found just 27,000 units reserved for people at those income levels.

The 2013 American Community Survey shows that around 16,000 households across the Coachella Valley's nine cities have combined incomes below $15,000 per year. Another 8,350 earn between $15,000 and $20,000 annually. And nearly 48,000 families earn some amount less than $35,000 per year.

The census' data doesn't show how many people live in each of those households. But Riverside County defines a "low-income" single person as someone earning less than $34,800.

If considered together, these numbers suggest there are at least 48,000 families near or below the "low-income" level, and only 16,300 units dedicated to providing affordable space.

'Redevelopment agencies, reincarnated'

Among the bills the governor signed this fall was Assembly Bill 2, which gives select communities the option to create Community Redevelopment Investment Authorities. These bodies, Garcia explained, are meant to fill in some of the gaps created when Brown dissolved city and county redevelopment agencies four years ago.

Garcia co-authored the bill that created what he called "redevelopment agencies, reincarnated."

"Many of our cities here truly were impacted – they were all impacted by the elimination of redevelopment agencies," Garcia said. "You have other cities that were further impacted because of their limitation, in terms of a tax base, to do any type of economic development. In the big picture, this is a big deal for California."

Communities who create the organizations will be able to use property tax revenue to fund hazardous waste cleanup, earthquake safety retrofits and economic development projects. At least 25 percent of funds generated by the CRIAs will be reserved for affordable housing projects. And unlike redevelopment agencies, some of which were criticized for dipping into education funds, these investment authorities will be prohibited from touching money earmarked for schools.

Qualifying communities must meet a variety of conditions. Garcia believes census tracts within eastern Coachella Valley and Imperial Valley cities will qualify, though spaces in the central and western part of the valley may not.

"This is the first step on bringing back some economic development tools for our local governments ... to make sure our economically disadvantaged communities have tools to improve their unemployment situation, poverty situation, crime, infrastructure needs," Garcia said. "We will continue to chip away at this issue."

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