



Date: July 21, 2020  
Assemblymember Tom Daly  
State Capitol, Room 3120  
Sacramento, CA 95814

**Re: AB 434 (Daly) - Support**

Dear Assemblymember Daly,

Housing California is proud to support AB 434 to streamline Department of Housing and Community Development (HCD) rental housing programs into a single application and award process.

While the Multifamily Housing Program (MHP) was intended to be the state's omnibus rental housing finance program, HCD now administers at least nine separate rental housing programs for specific purposes. Affordable housing providers must piece together a combination of these sources to fully fund a development. According to a [recent study by the Turner Center for Housing Innovation](#) at UC Berkeley, 89% of new affordable developments built with 9% Low-Income Housing Tax Credits rely on four or more sources of funding, and each additional source of funding is associated with an average increase of \$6,450 (2%) in total development costs of each affordable home. In addition, this compartmentalized funding process creates significant additional cost for HCD as different program staff review the same project at different times, and projects funded under one program return awards when they fail to win funding from a needed second program.

AB 434 harmonizes the statutes relating to MHP and seven of the special purpose rental housing programs so that HCD can use a single application and scoring system to make coordinated awards for all eight programs at one time while maintaining the special intent of each original program. By streamlining the application process for HCD resources, this bill will measurably reduce the cost of affordable housing by reducing HCD and developer staff time spent on multiple applications and decreasing long development timeline delays.

Thank you for your authorship of this important bill.

Sincerely,

**Luke Villalobos**  
Legislative Advocate, Land Use and Finance