

[DATE]

State Assemblymember or State Senator
California State Legislature
State Capitol
Sacramento, CA 95814
via fax (916)

RE: SUPPORT TO PRIORITIZE FUNDING FOR AFFORDABLE HOME PROJECTS IN YOUR DISTRICT

Dear Assemblymember or State Senator:

Hundreds of affordable home developments are now in jeopardy across the state including your [ASSEMBLY OR SENATE] district.

[YOUR ORGANIZATION'S NAME] representing [YOUR ORGANIZATION'S DESCRIPTION] urges your strong support to contact and write letters to the Pooled Money Investment Board (PMIB) and Governor to fully fund affordable home developments as state bond proceeds become available to the PMIB. Our affordable home project is at risk of collapsing under the weight of holding costs and missed deadlines.

[INFORMATION ON YOUR DEVELOPMENT AND INCLUDE BOTH THE TOAL AMOUNT OF YOUR HCD AWARD AS WELL AS THE TOTAL AMOUNT LEVERAGED IN OTHER SOURCES]

If our development fails, the State will lose its investment as will local government and private investors. Their failure could create large legal and financial exposure for the California, with the State liable for the entire development costs. Additionally, the affordable rents or purchase prices will convert to market rates, making housing even less affordable for your constituents, their families, and working people in your district.

When the State is able to resume selling bonds, it is crucial that the early proceeds are used to honor housing program commitments. As funds become available to the PMIB, the top priority should be to fund fully or partially completed home developments that need their committed Multifamily Housing Program (MHP), self-help, or Housing and Community Development (HCD) program funds now or in the next four months to allow them to pay off construction loans as well as home developments under construction that are drawing down from HCD funding and need to draw the rest of their committed amounts to complete construction.

Additionally, a concerted state agency effort is needed to reassure financial institutions that construction funds loaned to developments that have state commitments will be repaid when they are due.

It is easy to understand that housing construction creates much needed jobs. Less obvious is that homes affordable to low- and moderate-income families stabilize household budgets, increase consumer confidence, help revive struggling neighborhoods, as well as provide a decent, safe living environment for children, the elderly, and people with disabilities.

The collapse of the housing market created the financial meltdown. Fixing the market needs to be a key part of the solution. We urge your support and leadership.

Sincerely,