



**MAYOR ROBERT GARCIA**  
CITY OF LONG BEACH

August 21, 2015

The Honorable Ricardo Lara  
California State Senate, Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

**Re: Support for Assembly Bill 35 (Chiu and Atkins) – Income taxes: credits: low-income housing: allocation increase**

Dear Chairman Lara:

On behalf of the City of Long Beach, I am pleased to support Assembly Bill 35 (Chiu and Atkins). This bill expands the State's Low Income Housing Tax Credit (LIHTC) by \$300 million annually. The need for affordable housing exists in Long Beach, and with the dissolution of redevelopment, State and new local resources will be required.

The growing demand for housing development in California has resulted in an oversubscription to the State's affordable housing tax credit program, which is utilized by local developers. Further, recent changes to State law requires cities, and consequently developers, to focus affordable housing dollars on extremely low and very low income housing. While this type of housing is essential for many, it is also the most expensive type of housing in which to invest. Long Beach believes that AB 35 is one step forward in the right direction to providing affordable housing; however, we would also like to take this opportunity to urge the State to consider funding for moderate income housing, as incentives for this type of housing has been completely eliminated, yet a need remains.

As the City supports AB 35, we would also like to urge the State to recognize that these tax credits can only be accessed if there is a local match. This makes the current discussion on the redevelopment budget trailer bill incredibly important. If the trailer bill passes as is, and eliminates the ability for cities to recoup City loans made to the former redevelopment agencies, then there will be zero local funding in Long Beach with which to match the \$300 million tax credit authorized by AB 35. In addition to amending this portion of the budget trailer bill should the bill be brought forth for a vote, Long Beach encourages the State to consider providing a new local source of affordable housing to cities in the future.

With these considerations in mind, the City of Long Beach supports AB 35.

Sincerely,

Mayor Robert Garcia  
City of Long Beach

cc: The Honorable Ricardo Lara, State Senate, 33<sup>rd</sup> District  
The Honorable Janet Nguyen, State Senate, 34<sup>th</sup> District  
The Honorable Isadore Hall, III, State Senate, 35<sup>th</sup> District  
The Honorable Anthony Rendon, State Assembly, 63<sup>rd</sup> District  
The Honorable Mike Gipson, State Assembly, 64<sup>th</sup> District  
The Honorable Patrick O'Donnell, State Assembly, 70<sup>th</sup> District  
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