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Affordable homes mean jobs for the Kern County economy

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Tom Collishaw is president and CEO (R) of Visalia-based Self-Help Enterprises.

Despite upbeat news of an economy on an upswing, thousands of families in Kern County and other parts of the Valley remain stuck between a rock and a hard place.

At 10.8 percent and 10.3 percent, respectively, our unemployment rates are almost twice the state average.

According to a new report from the National Low Income Housing Coalition, it takes 71 hours working a minimum wage job to afford a basic two-bedroom apartment in Kern County. This means those lucky enough to have work often can't find a place to live within their means, and those without work live in

overcrowded or substandard housing or risk becoming homeless.

It may sound counterintuitive that housing prices are high when the availability of jobs is low, but a shortage of affordable homes contributes to both concerns. In Kern County alone, there is a shortfall of 5,285 affordable homes. While builders are anxious to get to work closing this gap, the elimination of \$1.5 billion in annual state investment for affordable home development presents a serious roadblock to our efforts.

Without seed money, builders can't leverage the federal and bank loans that enable us to rent or sell homes affordable to those of low or modest means. An effort in the legislature would reverse this downward trend and put tens of thousands of people back to work building much-needed new homes and apartments that are affordable to live in.

Assemblyman Rudy Salas of Bakersfield should support this package of affordable home finance bills including AB 35 and AB 1335. AB 35 expands a successful tax credit program that generates private investment in affordable rental homes and brings an economic boost to California with two dollars in federal investment for every one dollar in state credits.

AB 1335, the Building Homes and Jobs Act, provides another important tool to jumpstart construction on homes within reach of workers; it would create a \$500 million annual fund to grow investment in affordable homes, including 20 percent set aside for workforce home ownership programs.

The investment yields jobs. Every \$500 million in investment for affordable housing generates an estimated 29,000 jobs. Shovel-ready developments in Bakersfield and Wasco would start to ease the crunch local families are facing, but this job-creating construction won't move forward unless state officials deliver dollars needed to break ground.

Fueling this economic boost would be a \$75 recording fee on certain real estate documents, excluding home and commercial property sales, an idea backed by California's business leaders, including the California Building Industry Association, the California Association of Realtors, and business organizations across the state.

These leaders recognize that companies simply cannot compete for the talent that drives California's economy without a growing supply of homes that their workers can afford. The respected Legislative Analyst's Office agrees. In a recent report, the LAO said that housing costs are directly linked to California's worst-in-the-nation ranking on poverty.

And a new report from the California Housing Partnership notes that when housing costs are factored in, California's poverty rate soars from 16 percent to 22 percent — the highest in the nation. The good news in the bleak statistics on jobs and poverty is this — with AB 35 and 1335 coming to a critical vote in the Legislature this week,

California's leaders have an opportunity to address both concerns by investing in California jobs and homes affordable to our local workforce.

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