

Merced Sun-Star

Tom Collishaw: State housing investment good for Merced County

BY TOM COLLISHAW

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Tom Collishaw is president and CEO of Self-Help Enterprises, which encompasses eight counties from Stanislaus to Kern.

The Sun-Star's recent headlines put a fine point on the economic pain that is still too widespread in Merced County: While our unemployment rate has dropped to the lowest point since 2007, at 11.6 percent, it's still nearly twice the state average.

At the same time, a shortage of 1,400 affordable places to live in Merced County compounds the financial burden still troubling Central Valley families. A new study from the National Low Income Housing Coalition showed that rents are unaffordable throughout the state, with Merced residents needing to earn 150 percent of the minimum wage to afford a two-bedroom apartment.

Now, a legislative effort is under way to help California rebuild its stock of affordable homes. This package of legislation should receive Assemblyman Adam Gray's support.

This week, members of the state Assembly have an opportunity to move forward on a multipronged approach that will jump-start construction of affordable rentals and owner-occupied homes targeted to California's workforce. The push in the Legislature comes at a time when state investment that makes such development feasible has plummeted by 69 percent over the last eight years.

AB 35 would expand a successful tax credit program that incentivizes private investment in affordable homes and draws down federal investment to bring nearly \$1 billion in job-creating investment in California each year. Another key bill in the package, AB 1335, would create a permanent fund for affordable housing through a \$75 document-recording fee that would lead to billions of dollars in investments in new homes for low- and moderate-income families.

These investments lead to job creation. Every \$500 million in investment for affordable housing leverages another \$2.8 billion in federal and local funding and bank loans and generates an estimated 29,000 jobs. The economy could see an immediate boost as soon as these projects get underway.

California's home builders are ready to do our part in creating tens of thousands of jobs while constructing the much-needed homes. Shovel-ready projects are poised to break ground for new homes and apartments that can be bought and rented at a cost families can afford.

But there's no way builders can absorb the cost of construction alone. Developers can only offer affordable rents for low- to moderate-income households with state investments that can be combined with local, federal and private financing. That's why the cities of Merced, Turlock and Chowchilla all support AB 1335 and why the California Realtors Association has joined the California Building Industry Association and business organizations statewide to make AB 1335 a top priority.

With a full-blown housing crisis threatening to undermine gains made in California following the Great Recession, it is imperative that we act now to increase the number of safe, affordable places to live. The 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. The major takeaway from the LAO report? A strong economy, good jobs and a supply of homes workers can afford go hand in hand.