

# Bakersfield Californian

## Community Voices: Valley Democrats are key to affordable housing relief

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Effects of the lack of affordable housing are being felt well beyond California's expensive coastal cities, including in interior areas like the San Joaquin Valley, where thousands of coastal "expats" are fleeing because they can obtain more housing for less cost. Unfortunately, that means local residents earning local wages are being priced out of the market.

To afford a median-priced two-bedroom apartment in the Bakersfield metropolitan area, a resident must earn at least \$16.23 an hour. But modest-wage earners in this region, including childcare workers, retail workers and farmworkers, are making far less. Many families are forced to live in squalid, overcrowded conditions with little money left for basic necessities.

Recognizing the profound shortage of decent and affordable homes, and the devastating impact on the state's families and economy, Gov. Jerry Brown and the leaders of the State Senate and Assembly issued a historic proclamation on July 17 on the need for State intervention. It stated that housing would be a priority when the Legislature reconvenes following the summer recess on Aug. 21.

The good news is that affordable housing has finally achieved the status it deserves and California's three most powerful leaders are now squarely behind the success of this package. The bad news is some San Joaquin Valley Democrats could be the reason the package doesn't make it to the governor's desk.

Brown has agreed to an affordable housing bond if passed, the vehicle likely being Senate Bill 3, which will go to the voters in 2018. He has also agreed to a permanent source of funding for affordable homes. SB 2 is arguably the more important of these two affordable housing investment bills because it would provide that permanent source of revenue to a statewide housing trust fund for affordable rental, farmworker, and for-sale homes.

More than 40 states have housing trust funds, most of which are capitalized by proceeds from real estate transactions like the one contemplated in California. The bill has widespread support from business groups, including the California Association of Realtors, California Building Industry Association, and the California Federation of Teachers. It is likely that the San Joaquin Valley will gain more in affordable housing assistance than it pays into the fund via these non-sale real estate transactions.

Unfortunately, Assemblyman Rudy Salas may be one of a small handful of so-called "pro-business" Democrats standing in the way of achieving the two-thirds vote threshold in the Assembly needed for passage of SB 2, thus denying households in his district access to decent and affordable homes.

It's hard to understand what's pro-business about that. The construction and rehabilitation of housing will generate thousands of new jobs alone. More affordable housing means more jobs for plumbers, roofers, electricians, carpenters, and many others, more disposable income for consumer spending, and more property and sales tax revenues for local governments. And then, of course, there is the small matter of businesses fleeing California because their workforce can't afford to live here on the wages they are earning.

Legislative opponents of SB 2 say that it is a burdensome "tax" that will harm property owners wishing to refinance their homes, although recordation fees are typically amortized over the term of the new mortgage, or cause an unnecessary burden on local recorders. That is really a smokescreen to avoid taking a hard vote on a fee increase

that nearly all agree, including the real estate industry and business groups, will have negligible impacts on property owners and far greater benefits for local communities.

SB 2 is about the Legislature actually taking legislative leadership. The Senate did its job. Now, it is time for the Assembly to do its job. It is simply not credible to say that "I support affordable housing" and then to vote against the most important piece of affordable housing legislation in a generation. Salas needs to take leadership by voting for SB 2 and SB 3, and be held accountable if he does not.

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