April 18, 2023

Assemblymember Buffy Wicks, Chair

Assembly Housing and Community Development Committee

Via Legislative Portal

RE: AB 309 (Lee): The Social Housing Act – **OPPOSE**

Dear Assembly Housing and Community Development Committee:

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| **What is the bill about?** This bill, like Lee’s AB2053 introduced in 2022, would create the CA Housing Authority (CHA) as an independent state body with the mission to produce and acquire state-owned housing. The stated purpose is to eliminate the gap between housing production and Regional Housing Need Assessment (RHNA) targets and to preserve affordable housing. Housing would be owned by CHA or other entities. This bill puts the state in the risky business of developing and managing housing at a time when the state deficit is estimated at $22.5 billion dollars.

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**What is the impact?** What could possibly go wrong? In the first place, current law already allows each jurisdiction to create a housing authority with programs that provide housing assistance. Except to meet housing developer/investor goals of replacing local control with state overreach, this bill is unnecessary. And considering other state bureaucracies (Employment Development Department, for example) the CHA is likely to be inefficient, if not prone to corruption. The bill is especially problematic for aiming to eliminate the gap between housing production and RHNA targets. More than once, evidence has shown that housing need is exaggerated and RHNA targets are unrealistic and unreliable. First, the [Embarcadero Institute](https://docs.google.com/spreadsheets/d/1haT9adGXtpj9Ic5xpGOJPRzuXSC00BMaMr8uhDhHCi0/edit?resourcekey#gid=1573667415), then your own [state emergency audit](https://www.auditor.ca.gov/reports/search_results), and then research by [Guy Lion](https://marinpost.org/blog/2023/1/9/rhna-abag-demographic-projections-are-way-off) and [Zelda Bronstein](https://marinpost.org/search?query=bronstein&section=blog) show the RHNA targets are suspect. When the foundational assumptions and numbers are questionable, the policy and programs that emerge will be suspect.

Instead of policy, this bill creates a new state agency for social housing. In the 2022 analysis, staff wrote, “There is no widely shared consensus on how to define social housing.” Passing this measure, puts the state further along a path of wasting billions of dollars for efforts that would be better designed at the local jurisdictional level.

**Shortcomings of this bill:** Well-run agencies make a distinction between governance (policy), implementation (program) and evaluation (results). This bill swerves out of its lane of responsibility to set sound policy, especially since the state and HCD have been short on evaluating results. Like last year, this bill is not ready for passage. We urge you to reject AB 309.

Sincerely,



Susan Kirsch, Director, Catalysts for Local Control

Leon Huntting, Legislative Analyst