Sample Support Letter - AB 913 (Celeste Rodriguez)
Affordable Housing Financial Flexibility
Please submit a support letter on letterhead to this email: Leg.Unit@gov.ca.gov

August XX, 2025

Governor Gavin Newsom
1021 O Street. Suite 9000
Sacramento, CA 95814

RE: AB 913 (Celeste Rodriguez) – Affordable Housing Financial Flexibility – Request for Signature

Dear Governor Newsom,

[Name of Your Organization] is pleased to support AB 913 (Celeste Rodriguez), which gives statutory authority to HCD to waive required loan payments and monitoring fees for publicly-funded existing affordable housing developments at risk of financial insolvency. It also allows deed-restricted properties that have a HCD loan and net income to use that income to help struggling properties under the same sponsor, if they have also received an HCD loan. This flexibility provides struggling properties a lifeline, and has the potential to save dozens of existing affordable developments in California.

Affordable housing properties, unlike market-rate developments, are contractually bound to keep rents affordable to their area-median income (AMI) for 55 years and cannot balance a severe increase in operational costs with rent increases. The extended rent moratorium that was enacted in 2020 forced many developments to dip into their operating reserves, a loss that many are still trying to recoup. This has only been compounded by skyrocketing insurance rates that could not have been budgeted for upon initial construction - with some developers reporting 500% increases in their quotes. Considering the narrow margins affordable housing developments generally already operate within, this presents a huge risk to fiscal solvency and stability. Without action, thousands of California's most vulnerable households are at risk. AB 913 helps create pathways to stabilize properties that are over-burdened by these costs.

HCD provides soft loans for the development of affordable housing, which have two associated payments. The first is a monitoring fee, which is 0.42% of the loan amount. Today, this can be over $120,000 for a development. The second are residual receipts payments, where, if a property has enough excess income, they are required to make payments to HCD to pay off their loan.This bill offers flexibility for these two payments, under the discretion of the Department.

AB 913 provides important flexibility and tools to ensure that California maintains its vital supply of existing affordable housing. Thank you for considering this important legislation and we respectfully request your signature.

Sincerely,
[Your Name and Title]