

Truly a California for All

Where there's a will, there's a way

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By Deputy Treasurer Jovan Agee

California has an affordability problem, especially when it comes to housing in this state. The future of our residents' health, safety and wealth depends on access to housing that is affordable.

Governor Gavin Newsom, as part of his January budget unveiling, announced his goal to build 3.5 million homes by 2025. State Treasurer Fiona Ma is his strongest ally in helping to reach that number. Achieving our goal means getting investors, developers and local and state agencies to construct at a pace of 500,000 housing units per year.

As the state agency that oversees the California Debt Limit Allocation Committee (CDLAC), the California Tax Credit Allocation Committee (CTCAC), and the California Pollution Control Financing Authority (CPCFA), the State Treasurer's Office plays a critical role in how much affordable housing gets produced in California each year.

CDLAC allocates private activity bond authority for purposes including, but not limited to, multifamily and single family housing development. TCAC allocates federal and state tax credits to effectively create and maintain safe, quality, and affordable rental housing for low-income households in California by partnering with developers, investors, and public entities. CPCFA provides low-cost innovative financing for California businesses that make the state more economically prosperous and environmentally clean by, for instance, participating in infill and mixed-use developments on former brownfields.

Treasurer Ma set the tone for her office on Day One. She wants the Treasurer's Office to be proactive, solution-oriented and to create partnerships with the private sector. She believes that we can't continue to do business as usual if we are genuinely seeking different outcomes. She also believes that we must apply the same political 'will do' attitude to getting affordable housing developed as we do to other more high-profile development projects.

In order to better align our state's housing goals, the Treasurer is revamping and streamlining existing programs and organizational structures, which means revising regulations to promote production, spur new innovations, and improve cost containment efforts involving affordable housing.

As an example, the Treasurer realigned her office by appointing me her point person for housing and economic development (which also includes Opportunity Zones).

Everywhere you go in California it seems people are concerned about the affordable housing crisis and count on Governor Newsom's bold vision to pull us through. Californians support the Governor's ideas. According to a recent Public Policy Institute of California statewide survey, seven in ten respondents support the Governor's proposed solutions and a record-breaking two-thirds agree that housing affordability is a big problem in their regions.

Also getting a lot of attention around the state is a new economic development tool known as an Opportunity Zone. Opportunity Zones were established by Congress with its Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. They provide a tax incentive for investors to re-invest profits in tax-advantaged dedicated Opportunity funds. Opportunity funds use the private capital to make investments in businesses and real estate in Opportunity Zones identified by the state.

My range of responsibilities are in part a response to the recognition that housing affordability and community economic development is a regional, as well as a statewide, challenge. By combining housing, opportunity zones, and economic development, the Treasurer is trying to reduce the roadblocks that can occur when our brightest problem solvers are working separately and in isolation as they struggle to achieve the same outcome.

Under this new structure we hope to strengthen our role as a "matchmaker" in the state, helping various forms of capital find projects and vice versa. Treasurer Ma also is trying to create a program that can provide more housing for community college students and for K-14 teachers. In addition, she is looking at possibly combining and streamlining the activities of several programs under the Treasurer's Office.

With the first quarter of 2019 behind us, the Treasurer and I feel that we met one of our goals by traveling around the state and listening to a wide array of concerns Californians have related to affordable housing.

We plan to spend the next quarter continuing our trek around the state, while at the same time giving more attention to the operational changes that can better position the state to meet the housing challenges still unfolding before us.

Stay tuned...

We Can Help

Are you a private capital investor or have a qualified opportunity fund? Are you a developer looking to attract public or private capital? Are you a developer who needs technical assistance to get your project completed? Are you an elected official looking to develop investment interest in your community?

California State Treasurer Fiona Ma and Deputy Treasurer Jovan Agee want to hear from you.

The State Treasurer's Office may be able to match you with the right individuals needed to help bring your project to fruition.

Contact Deputy Treasurer Agee: 916.653.2995