



May 6, 2020

The Honorable Cecilia Aguiar-Curry
 Chair, Assembly Committee on Local Government
 Legislative Office Building, 1020 N Street, Room 157
 Sacramento, CA 95814

Re: AB 2843 (Chu): Local Employer Affordable Housing Fees – OPPOSE

Dear Chair Aguiar-Curry:

On behalf of the above business organizations in the Inland Empire, we write in opposition to AB 2843, which would require an applicant for a local business license to pay an additional annual fee of up to \$150 per employee, depending on company size, to fund first-time home buyer programs, temporary housing vouchers to individuals experiencing homelessness, affordable housing development projects and rental assistance.

Makes it harder for businesses to recover. The COVID-19 pandemic has devastated California's economy. It is estimated that roughly 3 million Californians have lost their jobs and in the Inland Empire the unemployment rate is projected to have risen to 25%. While we are hopeful that individuals who lost their jobs or businesses that were forced to close will be able to get back to work once the pandemic is contained, we need to recognize that the pandemic is going to have lasting impacts on our economy. Now more than ever, we need to make it easier for businesses to hire and for unemployed individuals to find work. By charging a fee to employers based on the number of employees, AB 2843 makes it harder for an economic recovery to occur.

The bill does not address the real problem. California's housing shortage has been estimated to be 3-4 million housing units. Experts say that California needs to double its current rate of housing production (85,000 units per year) to keep up with expected population growth and prevent prices from further increasing, and needs to quadruple the current rate of housing production over the next 7 years in order for prices and rents to decline. However, the lack of affordable housing in California is not because of a lack of government assistance programs. It is because California has not been allowing the production of a sufficient amount of housing to meet the demand.

Overly burdensome regulations that slow or prevent housing development projects is the reason the lack of affordable housing. The solution to achieving more affordable housing isn't to tax businesses but instead it is to address the impediments that prevent more housing developments. Otherwise, you are attempting to address the symptoms of the problem rather than the underlying issues. Unfortunately, that is what AB 2843 does by placing the burden of addressing the lack of affordable housing on businesses. It doesn't seek to reform the California Environmental Quality Act to speed up production or reform local government planning. It is a fundamentally flawed approach that will not make a significant impact on the development of affordable housing but instead will continue to increase the burden of doing business in California.

For the reasons stated above and others, we oppose AB 2843. If you have any questions or would like to discuss our position in greater detail, please contact Luis Portillo at 909-944-2201 or by email at lportillo@ieep.com. Thank you.

Sincerely,

Janice Moore
Apple Valley Chamber of
Commerce

Bette Rader
Beaumont Chamber of
Commerce

Zeb Welborn
Chino Valley Chamber of
Commerce

Bobby Spiegel
Corona Chamber of
Commerce

Gloria Martinez
Fontana Chamber of
Commerce

Joshua Bonner
Greater Coachella Valley
Chamber of Commerce

Peggi Hazlett
Greater Ontario Business
Council

Cyndi Lemke
Hemet San Jacinto Chamber
of Commerce

Shannon Shannon
Hesperia Chamber of
Commerce

Andrea De Leon
Highland Chamber of
Commerce

Paul Granillo
Inland Empire Economic
Partnership

Oscar Valdepeña
Moreno Valley Chamber of
Commerce

Patrick Ellis
Murrieta/Wildomar Chamber
of Commerce

Jennifer Walker
Perris Valley Chamber of
Commerce

Robert Hufnagel
Rancho Cucamonga Chamber
of Commerce

John Mills
Redlands Chamber of
Commerce

Dori Jared-Ferranto
Upland Chamber of
Commerce

Mark Creffield
Victor Valley Chamber of
Commerce

cc: Assembly Member Kansen Chu