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April 30, 2018

The Honorable Autumn Burke, Chair  
Assembly Revenue and Taxation Committee  
State Capitol, Room 5150  
Sacramento, CA 95814

### **RE: Assembly Bill 1979 (Bonta/Steinorth) – Homeownership Savings Accounts – SUPPORT/HOUSING CREATOR**

Dear Assemblymember Burke:

The California Building Industry Association is pleased to announce our support for Assembly Bill 1979, and identified it as a “Housing Creator.” As you know, CBIA has recently instituted its “Housing Killer” and “Housing Creator” lists to be used as a tool to highlight bills that will either exacerbate or ameliorate the current housing crisis. We have found that AB 1979, which would provide prospective first-time homebuyers in California a tax deduction for deposits into a Homeownership Savings Account for the purposes of a down payment or mortgage payment, will have a favorable impact on prospective home-owners ability to buy a home, and it has therefore been deemed a “Housing Creator.”

In order to place bills on either list, we enumerated several criteria with which to judge a bills merits as it relates to housing. With regard to AB 1979, we found the following:

- **Will it make housing less expensive for Californians? YES.** AB 1979 allow Californians to save for homeownership, thereby making housing more affordable to them.
- **Does it encourage homeownership? YES.** This bill would encourage homeownership by creating a tool to help prospective homebuyers achieve a strong financial foundation from which to purchase their first home. Allowing Californians to deposit pre-tax money from multiple contributions into a Homeownership Savings Account will provide an opportunity for heightened homeownership in CA.
- **Does the bill propose to resolve the housing crisis fairly, with an egalitarian distribution of the solution? YES.** These savings accounts would be made available for all first-time homebuyers in California and would make the dream of owning a home a possibility by allowing interested buyers to save money, pre-tax, for a down payment or closing costs.

We respectfully request your support on AB 1979.

Sincerely,

*Alyssa Stinson*

Alyssa Stinson  
Legislative Advocate

CC: The Honorable Assemblymembers Bonta and Steinorth, Authors  
Members, Assembly Revenue and Taxation Committee  
David Ruff, Chief Consultant, Assembly Revenue and Taxation Committee  
Julia King, Consultant, Assembly Republican Office of Policy