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April 16, 2019

The Honorable David Chiu
Chair, Assembly Housing and Community Development Committee
State Capitol, Room 4112
Sacramento, CA 95814

**RE: Assembly Bill 1317 (Brough), Homeowner Savings Accounts –
HOUSING CREATOR - SUPPORT**

Dear Assemblymember Chiu:

The California Building Industry Association (CBIA), representing the state's approximately 3,000 homebuilders and land developers involved in the home construction industry, responsible for over 90% of the new homes built in California each year, writes to inform you that we have taken a support position on Assembly Bill 1317, Homeowner Savings Accounts, and have identified it as a "Housing Creator."

CBIA has 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 1317, would give more renters a pathway to becoming first-time home buyers by exempting from gross income any income earned on the moneys contributed to a homeownership saving account (HSA) on or after 1/1/19.

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 1317, we found the following:

- **Will it make housing less expensive for Californians? YES.** AB 1317 allows 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. The bill will allow Californians to deposit money from multiple contributors into an HSA designated for a specific beneficiary. The interest accrued in these accounts is excluded from gross income and must be put toward qualified expenses, such as a down payment or closing costs.
- **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.

For the reasons stated above, we respectfully request a yes vote on AB 1317. Please feel free to contact Michael Gunning, Senior Vice President of Legislative Affairs, at (916) 340-3338 if you have any questions about our position.

Sincerely,

A handwritten signature in black ink, appearing to read "m. gunning", with a stylized flourish at the end.

Michael A. Gunning
Senior Vice President of Legislative Affairs

cc Honorable Members, Assembly Housing and Community Development Committee
 Lisa Engle, Chief Consultant, Assembly Housing and Community Development Committee
 William Weber, Consultant, Assembly Republican Office of Policy