



1215 K Street/Suite 1200
Sacramento, CA 95814
916/443-7933
fax 916/443-1960
www.cbiam.org

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March 20, 2019

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

RE: AB 264 (Melendez) Income taxes: credits: development impact fees - SUPPORT

Dear Assembly Member Burke:

On behalf of the California Building Industry Association (CBIA), we are pleased to support AB 264 (Melendez), which incentivizes the building of new homes by providing a tax credit for the payment of impact fees by home builders.

CBIA is a statewide trade association representing over 3,000 member-companies involved in residential and light commercial construction. CBIA member-companies are responsible for over 90% of the new homes built in California each year. As such, we support AB 264 which provides a much-needed tax credit for the payment of impact fees. Development and impact fees are a major barrier for new housing projects and can vary from \$28,000 per single family home in Sacramento to \$157,000 per home single family home in Fremont. Median prices for new homes in California are now well over half a million dollars. This is almost double the national median home price of about \$240,000. These high housing costs translate into the average Californian paying more than half of their income on housing for their families.

The California Department of Housing and Community Development estimates that we need to build 180,000 new housing units a year to keep prices stable while providing enough homes to meet the state's growing population. Over the past 10 years, the state has averaged less than half of that number. We must make housing for all a higher priority. For all these reasons, CBIA supports AB 264 (Melendez). 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,

Michael Gunning, Senior Vice President of Legislative Affairs
California Building Industry Association

cc Members, Assembly Revenue and Taxation Committee