



May 19, 2022

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

President Pro Tempore Toni Atkins
1021 O Street, Suite 8518
Sacramento, CA 95814

Speaker Anthony Rendon
State Capitol Room 219
Sacramento, CA 95814

RE: Budget Request for Coachella Valley Housing Catalyst Fund

Dear Governor Newsom, President Pro Tempore Atkins, and Speaker Rendon:

Lift to Rise (LTR) and the 60 undersigned elected officials and organizations respectfully request \$15,000,000 in the 2022-2023 budget for the Coachella Valley Housing Catalyst Fund (CVHCF). This one-time investment will help ensure that our collective of over 60 cross-sector partners can deliver 10,000 new units of affordable housing across the Coachella Valley by 2028. These units, over half of which are already in the development pipeline but in need of additional capital to begin construction, represent the level of production needed to make a region-wide impact on housing affordability. Our goal is to radically increase housing stability and create paths to economic mobility for valley residents—over half of whom fall below 200% of the federal poverty line—by reducing the number of rent-burdened households by 30%.

CVHCF is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and overcome two significant challenges for our region. First, too many families can't afford the rent. Two-thirds of the households in the Coachella Valley are rent-burdened, paying more than one-third of their income for rent. Second, California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's housing needs.

CVHCF will leverage state dollars to attract additional private capital at a rate of at least two dollars for every dollar invested by the state. It will help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs. A \$15 million investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units by 2028. Units will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current pipeline includes projects in high-resource communities where affordable housing has never been approved before.

This past year, LTR has worked to prove the success of this model. In 2021, LTR launched CVHCF and secured a commitment from two CDFIs—the Rural Community Assistance Corporation (RCAC) and the Low-Income Investment Fund (LIIF)—to match every dollar received by the fund. With an investment from Riverside County of \$2 million and the match from RCAC and LIIF, the fund has closed the funding gap for seven projects in the regional pipeline, allowing for the production of over 500 units of new affordable housing. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families. The concept works and with a small infusion of state funding we can grow this success exponentially.

Our region needs more than 10,000 new affordable units just to meet current demand, yet between 2010 and 2018 the Coachella Valley averaged only 38 new affordable units per year. COVID-19 has exacerbated the already critical shortage of affordable units in our region as tens of thousands of Californians moved from coastal and urban areas like Los Angeles to inland and more rural areas like the Coachella Valley, in what the Wall Street Journal recently called “a demographic shake-up in California, driving a mass middle-class exodus to the state's Inland Empire.”

We are excited that last year's budget included a substantial new investment for REAP 2.0 and are grateful that catalyst funds are an allowable use for these dollars. However, we anticipate that the demand for these funds will be substantial and that, as with other programs, scoring will heavily favor the highly urbanized and more coastal parts of the massive and diverse SCAG region. Even if we are ultimately able to obtain funding for CVHCF through SCAG's REAP 2.0 competition, we anticipate we would not have the funds in hand until at least mid-2023. With an investment from the General Fund now, we could be well on our way to having 2,500 desperately needed new units of affordable housing completed by then.

We urge your support of this request. With a modest state investment, we can deliver lasting change for low-income families in the Coachella Valley and serve as a replicable model for other areas of the state.

Sincerely,

Heather Vaikona, President and CEO
Lift to Rise

V. Manuel Perez, Fourth District Supervisor
Riverside County Board of Supervisors

Raul Ruiz, 36th District Representative
United States Congress

Fiona Ma, Treasurer
State of California

Carrie Harmon, Executive Deputy Director
Housing Authority of the County of Riverside

Michael Walsh, Deputy Director
Housing Authority of the County of Riverside, Lift to Rise Housing CAN Co-Chair

Steve Hernandez, Mayor
City of Coachella

Lisa Middleton, Mayor
City of Palm Springs

Waymond Fermon, Mayor
City of Indio

Jan Harnik, Mayor
City of Palm Desert

Richard Balocco, Councilmember
City of Indian Wells

Ted Weill, Councilmember
City of Rancho Mirage

Scott Matas, Mayor
City of Desert Hot Springs

Linda Evans, Mayor
City of La Quinta

Ernesto M. Gutierrez, Mayor
City of Cathedral City

Dale S. Reynolds, Mayor
City of Blythe

Lara Regus, Senior Vice President of Development
Abode Communities

Karen Suarez, Director
Uplift San Bernardino and Co-Chair of Lift to Rise Housing CAN and Inland SoCal Housing Collective

Celina Avalos, President and Co-Founder
ECV for Change

Suzanne Anarde, Chief Executive Officer
Rural Community Assistance Corporation

Micah Weinberg, CEO and President
California Forward

Luz Gallegos, Executive Director
TODEC

Cástulo R. Estrada, Board Vice President
Coachella Valley Water District

David Brinkman, Chief Executive Officer
DAP Health

Tammi Graham, Executive Director
First Five Riverside

Conrado Bárzaga, Chief Executive Officer
Desert Healthcare District and Foundation

Claudia Castorena, Co-founder
Galilee Center

Leticia De Lara, Chief Executive Officer
Regional Access Project Foundation

Robin Hacke, Executive Director
Center for Community Investment

Gary Painter, Director
USC Sol Price Center for Social Innovation

Kristal Granados, Chief Executive Officer
United Way of the Desert

Gretchen Gutierrez, Chief Executive Officer
Desert Valley Builders Association

Deiter Crawford, Community Advocate
Desert Highland Gateway Estates

Alan Greenlee, Executive Director
Southern California Association of Non-Profit Housing

Joy Silver, Regional Director, Southern California
Community Housing Opportunity Corp.

Danavon L. Horn, President
Palm Communities

Analisa Vargas, Lead Community Organizer
Coachella Valley
Communities for a New California Education Fund

Clemente Mojica, President & CEO
Neighborhood Partnership Housing Services

R. Michelle Decker, President and CEO
Inland Empire Community Foundation (IECF)

Damien O'Farrell, Chief Executive Officer
Parkview Legacy Foundation

Kimberly Latimer-Nelligan, President
Low Income Investment Fund

Emma Chavez, Western Region Market Director
Low Income Investment Fund

Steve PonTell, President and CEO
National Community Renaissance and Hope Through Housing Foundation

Gabriel Maldonado, Executive Director and CEO
TruEvolution

Javier Hernandez, Executive Director
Inland Coalition for Immigrant Justice

Pedro S. G. Rodriguez, Executive Director
Coachella Valley Housing Coalition

Maribel Nunez, Executive Director
Inland Equity Community Land Trust

Lisa Wright, President & CEO
Inland SoCal United Way

Melissa Fox, Housing Lawyer & Advocate

Melanie Steele, Program Director
Inland SoCal Housing Collective

Tom Kirk, Executive Director
Coachella Valley Association of Governments

Tom Dolan, Executive Director
Inland Congregations United for Change

Matt Mason, Director of Real Estate Development
West Hollywood Community Housing Corporation

Jarvis Crawford, President
Palm Springs Black History Committee

Francisco Moreno, Executive Director
Council of Mexican Federations in North America (COFEM)

Chris Castorena, Co-Founder
A Better Banning

Tanaya Hall, Girls Program Director
Building Resilience in African American Families

Mark Bigley, Vice President
Urban Housing Communities LLC

Ruby Rivera, Director
Palm Springs Unified School District Family Center

CC: Assemblymember Phil Ting, Chair Assembly Budget Committee
Assemblymember Wendy Carrillo, Chair, Assembly Budget Subcommittee 4
Senator Nancy Skinner, Chair, Senate Budget Committee
Senator Sydney Kamlager, Chair, Senate Budget Subcommittee 4