



AB 2053: SOCIAL HOUSING ACT

ASSEMBLYMEMBER ALEX LEE

THIS BILL

This bill will create the California Housing Authority (CHA) to produce and preserve Social Housing: homes that are union built, sustainable, collectively owned, affordable for all income levels, and are financially self-sustaining. Housing for people with higher incomes will subsidize low-income units and allow housing developments to become self-sustaining and revenue-neutral. Remaining funds will be used for community development and repairs. This mixed-income model has been successfully used in other developments in California, including [CADA in Sacramento](#). Social housing has been successful across the globe, including several developments in Montgomery County, Maryland as well as attractive, affordable housing for people of different income levels in [Vienna](#) and [Singapore](#).

PROBLEM

California [ranked](#) 49th among the United States in housing units per resident in 2018. In 2020, a worker had to earn an hourly [wage](#) of \$36.96 to afford an average 2-bedroom apartment in the US. In California, more than two in five households [spend](#) over 30% of their income on housing, and more than one in five households spend over 50% of their income on housing.

Families who pay more than 30% of their income for housing can have difficulty affording necessities such as food, clothing, transportation, and medical care. The affordable housing crisis also hurts California's economy, as overpriced rents depress the California gross domestic product by approximately [6%](#) and one third of Californians have considered [leaving](#) the state because of housing costs.

Existing strategies to address the lack of affordable housing have not produced nearly enough to meet demand. Over 97% of cities and counties have been [unable](#) to produce enough affordable housing. In

California, there are only enough affordable and available rentals for 24% of extremely low income [households](#). When a new affordable housing project opened in San Francisco in 2018, more than 6,500 people [applied](#) for only 95 apartments. California needs additional tools to help solve the housing shortage.



An [example](#) of social housing in Montgomery County, Maryland.

WHAT IS SOCIAL HOUSING?

Social housing is defined as publicly backed, self-sustaining housing that accommodates a mix of household income ranges. Social housing is protected from being sold to a private for-profit entity for the duration of its useful life, and residents are granted the same protections as tenants in private property, if not more. Residents can participate in decisionmaking that affects housing management, such as providing the resident perspective to property management or hosting meetings to gather feedback from residents. Social Housing is how we provide and realize housing as a human right in the state that is in the epicenter of our housing crisis.

This model of housing avoids issues associated with public housing, because social housing can be built and maintained without relying on government subsidies which are in short supply. In social housing, higher income households cross-subsidize lower income households, making developments self-sustaining.

Social housing also avoids the problem of concentrated poverty, by creating mixed-income neighborhoods. This strategy fosters economic opportunities while preserving affordability to low-income households in the community.

SUPPORT

East Bay for Everyone (sponsor)
San Jose State University Human Rights Institute
(sponsor)
YIMBY Action (sponsor)
Common Ground California
Housing is a Human Right
Peninsula for Everyone
South Bay YIMBY

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Fewer than **one in five** Bay Area residents can afford to buy into the local market.



Four in ten households in California are burdened with unaffordable housing costs (exceeding 30% of household income)