

AMENDED IN ASSEMBLY APRIL 6, 2006

AMENDED IN ASSEMBLY MARCH 27, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

Assembly Joint Resolution

No. 47

Introduced by Assembly Member Ridley-Thomas

(Coauthors: Assembly Members Calderon, Daucher, Huff, Levine, Parra, Vargas, Wyland, and Yee Yee, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Karnette, Keene, Klehs, La Malfa, Laird, Leno, Leslie, Lieber, Lieu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nation, Negrete McLeod, Nunez, Oropeza, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, and Wolk)

February 23, 2006

Assembly Joint Resolution No. 47—Relative to California Housing Affordability.

LEGISLATIVE COUNSEL'S DIGEST

AJR 47, as amended, Ridley-Thomas. California housing affordability.

This measure would memorialize the President and Congress of the United States to recognize the high cost of purchasing a home in California and to act to raise the Federal Housing Authority and conforming loan limits to make it more possible for Californians to own a home.

Fiscal committee: no.

1 WHEREAS, The median-home price in California has
2 skyrocketed to \$540,900; and

3 WHEREAS, The California Association of Realtors indicates
4 the 84 percent of California families cannot afford a
5 median-priced home; and

6 WHEREAS, Working families representing all of California's
7 diverse ethnic communities are particularly hard hit by the
8 housing affordability crisis; and

9 WHEREAS, The current Federal Housing Authority (FHA)
10 loan limits of \$359,650 are too low and do not reflect the high
11 costs of housing in California, thus removing a vital option for
12 potential home buyers; and

13 WHEREAS, The current Freddie Mac and Fannie Mae
14 conforming loan limit of \$359,650 is too low and does not reflect
15 the high cost of housing in California, thus removing a vital
16 mortgage financing option for potential home buyers; and

17 WHEREAS, Working California families that live in areas that
18 exceed the current conforming loan limit are financially limited
19 from accessing these government-sponsored programs because of
20 their geographic location; and

21 WHEREAS, The conforming loan limit should be adjusted to
22 the median price of a home within its community; and

23 WHEREAS, The California Association of Mortgage Brokers
24 indicates that over 150,000 households in California would now
25 be able to afford the median home in their community if the
26 conforming loan limit were increased to the median home price;
27 and

28 WHEREAS, The California Association of Mortgage Brokers
29 indicates that California Households will save from \$315 to \$630
30 million annually on mortgage payments by raising the
31 conforming loan limit to the median home price in community;
32 and

33 WHEREAS, Increasing the conforming loan limit would
34 increase the number of California consumers covered by
35 important consumer protections that are only applicable to loans
36 under the conforming loan limit; and

37 WHEREAS, Congress has designated Hawaii, Alaska, and
38 various territories as "high-cost areas," allowing an increase in

1 the conforming loan limit to the median home price in that area;
2 and

3 WHEREAS, California's median home price exceeds the
4 median home price of all states and territories designated as
5 high-cost areas; now, therefore, be it

6 *Resolved by the Assembly and the Senate of the State of*
7 *California, jointly,* That the Legislature memorializes the
8 President of the United States and Congress to recognize
9 California as a high-cost area for purposes of purchasing a home
10 and should be considered the same status as other high-cost
11 areas; and be it further

12 *Resolved,* That the California Legislature joins the California
13 Association of Mortgage Brokers in urging President Bush and
14 Congress to take action to raise the FHA and conforming loan
15 limits and help bridge the gap between Californians and the
16 American Dream; and

17 *Resolved,* That the Chief Clerk of the Assembly transmit
18 copies of this resolution to the President and Vice President of
19 the United States, to the Speaker of the House of
20 Representatives, to the Majority Leader of the Senate, and to
21 each Senator and Representative from California in the Congress
22 of the United States.