

# California Governor vetoes \$2 billion affordable housing bill

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On Sunday October 13, California's Governor Gavin Newsom vetoed a bill that would have shifted up to \$2 billion in property taxes to build affordable housing across the state.

Under the terms of the vetoed Senate Bill 5, an Affordable Housing and Community Development Investment Committee would be required to approve "\$200,000,000 per year from July 1, 2021, to June 30, 2026, and \$250,000,000 per year from July 1, 2026, to June 30, 2030," in transfers from that portion of county property taxes currently earmarked for education to provide affordable housing.

"The one thing that concerns me and should concern everybody is our ability to balance the books," Newsom declared as he nixed the bill.

Coming from the Democratic governor of one of the wealthiest regions in the planet, Newsom's words expose him as a fiscal austerity conservative in the mold of many Republican governors. Furthermore, his veto, as well as the character of the bill itself, taking from education funding to possibly pay for housing, is an indictment of the capitalist system, which has been exposed as incapable of providing for the needs of the working poor.

While estimates vary, there is currently a shortage of at least 1.5 million affordable housing units across the state.

The proponents of the measure argued that the law would provide an economic stimulus for local economies, in the form of construction jobs, helping to protect the near homeless and poor families in crisis. The measure was supported by most of California's mayors, county officials, and trade union bureaucrats. The framers of the bill were careful not to impose additional taxes on the wealthy to increase state revenues, but merely to shift existing tax funds from

education to housing.

"Though we are disappointed, we are not giving up," Carolyn Coleman, Executive Director of the League of California Cities declared after Newsom's veto. "We will continue to work with Governor Newsom, the Legislature, and the broad coalition of labor, local government, business, housing and other advocates on a bill next year that will provide sustainable funding to increase the supply of affordable housing."

California's homeless population began to explode in the 1980s and has not stopped rising since then, coinciding with the end of the post war economic boom and the explosion of economic inequality as the state de-industrialized and real wages fell.

One of the most dramatic transformations took place in Los Angeles. Seventy-five thousand industrial jobs were lost between 1978 and 1982. Tens of thousands of jobs were also lost in the movie industry and in aerospace and other defense-connected industries. Poverty nearly doubled in Los Angeles County from 8 percent in 1969 to 14 percent in 1987.

Hand in hand with the destruction of manufacturing jobs was the abandonment of national public housing programs, and the destruction of many existing housing high rise projects. The Federal housing budget shrank from 7 percent of the total budget in 1978 to 0.7 percent in 1989.

As result Los Angeles County alone lost 42 percent of its affordable units (\$300 or less in 1982 prices). By 1986 only sixteen percent of housing units were considered affordable.

On the income side, the passage of the Personal Responsibility and Work Opportunity Act of 1996, signed into law by Democratic President Bill Clinton, further exacerbated the crisis of homelessness. This legislation ended the Aid to Families with Dependent

Children program, part of the 1935 Social Security Act, which provided a safety net for families with no fathers.

The new law severely limited access to welfare programs, under the pretext that they created “dependency” and weakened the “work ethic,” fulfilling Clinton’s infamous promise to “end welfare as we know it.” Cut in half was the number of recipients. By 2006 average monthly benefits had dropped to \$154, down from \$238 in 1975.

A study published by the University of California in Davis, written by Gary Blasi, Professor of Law Emeritus, UCLA, entitled “California Homelessness in Context” and published almost exactly two years ago, in October 19, 2017, details a social portrait of the effects of the inequality and desolation inflicted on the working poor.

Overwhelmingly, the study indicates, homelessness is the result of “extreme poverty” and many of the things that go along with it such as sudden health issues, mental disorders and substance abuse, the disappearance of jobs, lack of skills for new jobs, and the breakdown of social networks. All these contributed, beginning in the late 1970s, to the inability of the most vulnerable workers to find and maintain housing with the resources at hand.

In addition, Blasi details step-by-step what can only be called a ruling class conspiracy against the working poor, the retired and the incapacitated, as the social safety nets inherited from the New Deal in the 1930s were underfunded and dismantled by Democrats and Republicans alike.

By 2017 the median rent for a studio apartment in Los Angeles (\$1,850.54) had increased by 4.1 percent relative to 2014. Similar figures hold for San Diego (\$1,515, an 11.6 percent increase), the Silicon Valley’s Santa Clara County (\$2,255 a rise of 7.9 percent), Sacramento (\$950, a 40.7 percent increase), with a slight decrease in San Francisco, where the rent for a studio apartment, \$2,575, dropped 4.7 percent from 2014.

For the working poor, the elderly, and those on welfare with monthly incomes of \$1,848, Social Security income of \$895 and General assistance of \$440 (in San Francisco) or \$221 (in Los Angeles, the legal minimum), homelessness became the only option.

In addition to that segment of the population that is recognizably homeless, living in public shelters, in their

vehicles or in tents, an unknown number are living on the edge of homelessness, one catastrophic event away from losing the roof over their heads. This may include a family breakup, an onset of a debilitating illness, loss of employment, and involvement in the child welfare system. Many are thrown into homelessness at the end of a prison sentence.

Blasi notes that homelessness has evolved, and become more permanent, predicting that a person who becomes homeless today will most likely still be homeless a year from now. Under these conditions, initiatives such as the vetoed Senate Bill 5 and other efforts to build more units or more shelters are completely inadequate for confronting a problem rooted in the failure of the capitalist system.



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