



June 11, 2015

The Honorable Edmund G. Brown Jr.
Office of the Governor
State Capitol, Suite 1173
Sacramento, CA 95814

RE: Removal of Matthew Jacobs, CHFA Chairman

Dear Governor Brown,

The primary mission of the California Housing Finance Agency is to create affordable housing opportunities for low and middle income Californians. Instead, your CHFA Chairman of the Board, Matthew Jacobs, is a landlord currently evicting tenants in order to convert their rent-controlled housing into luxury condominiums. We join a growing coalition of consumer and housing advocates in urging you to remove Matthew Jacobs from the California Housing Finance Agency immediately.

Mr. Jacobs served dozens of tenants with eviction notices from two rent-controlled properties in Los Angeles, in February, as recently reported by KPCC. He bought apartments planning to evict longtime tenants as quickly as possible. According to his statement of economic interest forms, he had just bought the properties at the end of 2014.

Any effort by your administration to address the affordable housing crisis will be tarnished if Mr. Jacobs remains the face of CHFA and an increasingly unaffordable rental market. Having Mr. Jacobs run the board of an affordable housing agency is like putting the Koch brothers in charge of climate change prevention.

Barely a month after Mr. Jacobs acquired the properties in question, management told tenants in January that he planned to demolish the units and turn them into upscale condos. While the bombshell announcement was made with assurances that the longtime tenants would have a year before they had to move, tenants have since been slated for eviction this month and in July.

Mr. Jacobs used a loophole in rent control laws, the Ellis Act, which gives landlords the power to evict tenants from rent-controlled buildings as long as they sell the property, convert it into condominiums or let the building sit vacant for five years, to eliminate 17 rent-controlled units to reap a healthy profit. Like locusts, developers have descended on poor and middle class neighborhoods across Los Angeles and pillaged rent-controlled apartments. In the past two years, more than a thousand have been cleared out, doubling in just a year.

In Los Angeles, nearly 19,000 rent-controlled units have been withdrawn from the market since 2001, according to the Los Angeles Housing and Community Investment Department. With a stronger housing

market emerging, this trend will only become worse, not better. Rising income inequality is now becoming rental inequality.

Mr. Jacobs should not be on the board of an agency meant to help residents find affordable, safe and decent housing. We ask you to remove him and appoint someone who shows that they believe in that mission by both word and deed.

Sincerely,

A handwritten signature in black ink that reads "Carmen Balber". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Carmen Balber
Executive Director