



MAYOR REX RICHARDSON

May 28, 2025

The Honorable Dave Cortese
California State Senate
1021 O Street, Suite 7520
Sacramento, CA 95814

RE: Support for SB 750 (Cortese)—California Residential Mortgage Insurance Act

Dear Senator Cortese,

On behalf of the City of Long Beach (City), the City strongly supports SB 750, which would create the California Residential Mortgage Insurance Act (Cal REMIA), a state-backed credit enhancement program aimed at accelerating the development of affordable multifamily housing across California.

Affordable housing developments often rely on an intricate combination of funding sources, including private and public resources. Uncertainty in the financial market and high interest rates, can delay affordable housing development that countless California families are counting on to stay housed. The City has worked tirelessly to ease the burden for affordable housing developers, but without additional financial tools and certainty, many projects are not able to break ground.

The Cal REMIA would insure construction and permanent loans for affordable multifamily housing projects by leveraging the State's credit, drawing additional private investment into developments currently delayed by high interest rates and financial limitations. Cal REMIA will be funded by application fees and insurance premiums, reducing the reliance on the state's general fund. Premiums would be capped at 2% of the loan amount, with the generated funds going into a newly established California Residential Mortgage Insurance Fund. Using the state's credit to back loans and bonds for the creation of housing is an innovative practice that will further reduce barriers and timelines for affordable housing developers.

SB 750 will help the City meet its affordable housing goals and support the construction of much needed affordable housing across the state. For these reasons, the City supports SB 750.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rex Richardson", with a long horizontal line extending to the right.

Mayor Rex Richardson
City of Long Beach

cc: The Honorable Lena Gonzalez, State Senate, 33rd District
The Honorable Mike Gipson, State Assembly, 65th District
The Honorable Josh Lowenthal, State Assembly, 69th District