



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 1590 without my signature.

This bill would create a nonrefundable tax credit for first-time homebuyers that are low to moderate-income taxpayers.

The State has a significant housing shortage that is increasing housing and rental costs for many Californians. These are issues that my Administration has partnered with the Legislature to address on many fronts, including significant investments in the 2019 budget to spur housing development, as well as landmark rent affordability and renter protection legislation.

The potential costs of the proposed credit would be better addressed in the annual budget process so it can be weighed against other housing production and affordability measures.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, overlapping the printed name "Gavin Newsom".