



Donation Guide for Prop 1C

In order to sustain funding for catalytic state housing programs that contribute significantly to our state's economic growth, we are asking developers, builders, lenders and investors, consultants and other businesses involved in producing affordable housing in California to make a business investment and make a significant contribution toward passage of Proposition 1C on the November ballot.

Is a contribution to Yes on Prop 1C tax deductible?

No. Contributions to a campaign-specific 501(c) 4 entity are not tax deductible.

Can a 501(c)3 organization make campaign contributions?

Yes. In 1983, the U.S. Supreme Court affirmed that 501(c) 3 organizations may lobby indirectly through a 501(c) 4 entity by making a contribution. Under the provisions of the 1976 Lobby Law, in order to pursue lobbying activities, the 501(c) 3 organization may spend up to 20% of the first \$500,000 in annual expenditures (and up to \$1 million annually) for such lobbying activities.

Do contributions to Yes on Prop 1C qualify for CRA credit?

No. As a direct campaign donation, such a contribution should be thought of in terms of a business investment to preserve state seed monies pivotal to leveraging private investment for creating more affordable rental and homeownership opportunities.

What is Yes on Prop 1C's fundraising goal and how will the money be used?

The precedent of the successful Prop 46 campaign in 2002 suggests that over \$2 million will be necessary to effectively promote Proposition 1C. All campaign fundraising and strategizing across California's affordable housing industry are being coordinated under Homes4CA.org (checks can be made payable to Yes on Prop 1C). Funds will be directed toward research, polling, and educational outreach and promotion, including media buys, mailers, door hangers, etc.

How is HOMES4CA.ORG related to the "permanent source" campaign?

The immediate priority of Homes4CA.org is to ensure that funding for the state's emergency shelter and home programs is sustained for the next two years. During this time, Homes4CA.org will continue to build a coalition of support across a wide spectrum to place a housing trust fund before the voters in 2008. Modeled in part on important precedents across the country, but responsive to California's unique context, a "pay-as-you-go" mechanism for providing critical seed monies at the state level will obviate the need for on-going reliance on general obligation bonds.

Please visit www.homes4ca.org or call Laura Talmus at (415) 928-2992 for more information about the 2006 campaign to pass Proposition 1C as well as future efforts to create a permanent source for California's affordable housing needs.

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