

Legislative Update

CalHFA Board of Directors Meeting, January 21, 2021

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Federal Update

Phase 1 IMMEDIATE RESPONSE

H.R.6074- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

- No housing provisions.
- \$8.3 billion in emergency funding to federal agencies for immediate COVID-19 response.
- Majority (\$6.2 billion) is for HHS, including CDC.
- State Dept., USAID, FDA and SBA also funded.

Phase 3 STIMULUS

H.R. 748 - Coronavirus Aid, Relief, and Economic Security Act (CARES)

- Consolidated Appropriations Act, 2021 - H.R. 133 → Housing Provisions in CARES.
- \$1.8 trillion price tag.
- Direct stimulus checks to households.
- Expands Unemployment Insurance by \$600/week until 7/31.
- \$500 billion for Fed to stabilize economy.
- \$349 billion in Small Business Loans.
- \$150 billion to States & Localities (Coronavirus Relief Fund)
- \$45 billion in FEMA disaster relief.
- \$12.4 billion for HUD.
- Mandates Fed to use CARES resources to support municipal market.
- Gives HUD Secretary broad authority to waive existing program regulations if necessary.
- Single- and Multifamily Forbearance and Evictions protections.

HUD Funding in CARES.

- \$5 billion for CDBG.
- \$4 billion for Emergency Solutions Grants.
- \$2.25 billion for Section 8 Rental Assistance.
- \$685 million for the Public Housing Operating Fund.
- \$300 million for Native American programs.
- \$65 million for HOPWA.
- \$65 million for Section 202 and 811.

Forbearance and Eviction Protections in CARES.

- Up to 1 Year Homeowner Forbearance. Federally-backed mortgages.
- 60-day Foreclosure Moratorium.
- 90-Day Multifamily Forbearance. Federally backed loans: forbearance w/ no evictions or late fees.
- 120-day Eviction Moratorium. On all federally-assisted properties, including LIHTC.

March 6th

Bill Signed

March 18th

Bill Signed

March 27th

Bill Signed

April 24th

Bill Signed

December 27th

Bill Signed

Phase 2 PAID LEAVE

H.R.6201 - Families First Coronavirus Response Act

- No housing provisions.
- 80 hours of Emergency Paid Sick Leave.
- 12 weeks of Paid Family Leave.
- Funding for States to expand unemployment benefits.
- Expands medical coverage to COVID-19 testing.

Phase 3.5 SMALL BUSINESS LOANS

H.R. 266 - Paycheck Protection Program and Health Care Enhancement Act Summary

- No housing provisions.
- \$320 billion additionally for small businesses loans.
- \$75 billion for hospitals.
- \$25 billion to expand testing.

Phase 4 EMERGENCY COVID RELIEF & OMNIBUS

H.R. 133 - Consolidated Approps Act, 2021

- \$900 billion price tag.
- Part of annual spending package.
- \$600 Stimulus Checks
- \$300/week in Enhanced UI until 3/14/21
- \$325 billion in Small Biz Assistance
- \$12 billion for CDFIs and MDIs.
- CARES Coronavirus Relief Fund extended until 12/31/2021

Critical Housing Provisions:

- \$25 billion in Rental Assistance
- 4% Min Rate in LIHTC
- Supplemental Disaster 9% LIHTC
- Extends CDC Eviction Moratorium to 1.31.2021
- New Markets Tax Credit extended for five years.

December 2020

Emergency COVID Relief & Omnibus Package

Consolidated Appropriations Act, 2021 - H.R. 133

- Components:
 1. \$900 billion in COVID-19 Stimulus
 2. \$1.4 trillion omnibus spending bill for federal government for the remainder of FFY 2021
 3. Various tax provisions
- Passed both houses on Dec. 21st with broad bipartisan support
- Signed by President on Dec. 27th

December 2020

Emergency COVID Relief & Omnibus Package

Rental Assistance

- \$25 billion
- **Award Formula:** Administered by US Treasury Department as grants to states and eligible local governments based on population.
- **Allowable Uses:** emergency rental assistance, rental arrears, and utility costs for households at risk of homelessness or housing instability due directly or indirectly to the pandemic.
- **Eligible Households:**
 - Households with incomes at 80% AMI or below.
 - Priority must be given to households at 50% AMI or below, or those where someone has been unemployed for at least 90 days.
- **Recapture:** Treasury will recapture any funds not obligated as of 11/30/2021 and reallocate to other grantees.

December 2020

Emergency COVID Relief & Omnibus Package

LIHTC Provisions

- **Housing Credit 4 Percent Minimum Rate**
 - H.R. 133 establishes a permanent minimum 4 percent rate for LIHTC developments financed by tax-exempt multifamily bonds.
 - Current floating rate is an all-time low.
 - \$500 million a year in additional equity to California.
 - 35,260 additional units in California in the next 10 years according to Novogradac.
- **Disaster Housing Credits**
 - Provides a supplemental disaster 9% LIHTC allocation to California and other disaster impacted states.
 - Novogradac estimates it will allow CA to allocate \$80 M in credits (1-year value for 10-year credits), which would represent roughly \$800 million in additional LIHTC equity that CA can award to projects in 2021.

December 2020

Emergency COVID Relief & Omnibus Package

Other Housing Provisions

- **1-Year Coronavirus Relief Fund (CRF) Extension**
 - Extends until 12/31/2021, state & local funding provided through the CRF in the CARES Act.
- **1-Month Eviction Moratorium Extension**
 - Extends the CDC's eviction moratorium until January 31, 2021.
- **Annual Appropriations**
 - The bill provides a total of \$49.6 billion for HUD, \$561 million above the 2020 enacted level and \$12.4 billion above the president's budget request.
 - \$20 million for a new eviction prevention competitive grant program for nonprofits and governmental entities.
- New Markets Tax Credit extended for five years.

December 2020

Emergency COVID Relief & Omnibus Package

Non-Housing Provisions

- **Stimulus Checks:**
 - \$600 stimulus checks for income-qualified single taxpayers and \$1,200 for joint filers with \$600 per qualifying child.
- **Unemployment Insurance:**
 - \$300 per week in enhanced unemployment insurance benefits starting after Dec. 26 and ending March 14, 2021.
- **\$325 billion in additional small business assistance:**
 - \$284 billion for first and second forgivable Paycheck Payment Program (PPP) loans.
 - \$15 billion is dedicated for lending through CDFIs and MDIs.

President Biden COVID-19 Relief Plan

American Rescue Plan Jan. 14, 2021

- Extension of eviction and foreclosure moratorium on federally-guaranteed mortgages until September 30, 2021.
- Additional \$25 billion in Emergency Rental Assistance.
- \$5 billion to cover home energy and water costs and arrears through programs like the Low Income Home Energy Assistance Program, for struggling renters.
- \$5 billion in emergency assistance to help secure housing for people experiencing or at risk of homelessness. These funds would provide flexibility for both congregate and non-congregate housing options, help jurisdictions purchase and convert hotels and motels into permanent housing, and give homeless services providers the resources they need to hire and retain staff, maintain outreach programs, and provide essential services.



State Update

Senate ‘Building Opportunities for All’ Housing Package

- **SB 5 Senate Housing Bond (Atkins, Caballero, McGuire, Roth, Rubio, Skinner, Wiener)** Placeholder for housing bond.
- **SB 6 The Neighborhood Homes Act (Caballero)** Authorizes residential development on existing lots currently zoned for commercial office and retail space such as strip malls or large “big box” retail spaces. The bill requires the development of residential units be at a minimum density to accommodate affordable housing and abide by existing local planning and development ordinances.
- **SB 7 The Housing + Jobs Expansion & Extension Act (Atkins).** Seeks to improve the CEQA process by extending and expanding provisions of AB 900, which streamlined paperwork and expedited legal challenges to large, multi-benefit housing, energy, and manufacturing projects. SB 7 would extend the 2021 ‘sunset’ of AB 900, which created jobs and investment in the state, through 2025.
- **SB 8 Density Bonus Enhancer (Skinner)** Placeholder
- **SB 9 California Housing Opportunity & More Efficiency (HOME) Act (Atkins)** Promotes small-scale neighborhood residential development by streamlining the process for a homeowner to create a duplex or subdivide an existing lot in residential areas.
- **SB 10 Upzoning (Wiener)** SB 10 allows cities to upzone areas close to job centers, transit, and existing urbanized areas to allow up to ten units without having to go through the lengthy CEQA process. SB 10 will make it easier for cities to build housing affordable to young people and working families.

Assembly Budget Blueprint

- Restore one-time funding 2020 cuts to UC, CSU, Courts, Housing, Child Support.
- Provide ongoing homelessness prevention state funding, while incorporating best practices in determining service provision models.
- Expand current housing support and assistance programs that target vulnerable Californians, including low-income families with children and abused or neglected older adults over aged 60, by increasing program length and eligibility.
- Create a state program to prevent evictions and support mom-and-pop landlords.

CDLAC Regulatory Reform

- Adopted Dec. 21st
- New Scoring System
 - Includes AFFH Scoring criteria.
 - State Tax Credits included in Tie Breaker to Promote Efficiency.
 - Recycled Bonds Count for Leverage Points.
- New Pool Framework
 - New BIPOC Pool.
 - 60% awarded in project-type pools, including \$447.7 M for Mixed Income.
 - 40% awarded geographically.

Thank you