



# Legislative Update

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# State Budget



# State Budget Process

**Jan 10th**  
Governor's Budget



**Early Feb**  
Trailer bill language  
pieces (TBLs)

**Mid May**  
Governor's  
May Revise

**Late May/Early June**  
One-House Budgets

**June 15th**  
2-Way Budget  
*Senate-Assembly*

**June 29th**  
Governor's  
Signature  
*Final 3-Way  
Budget*

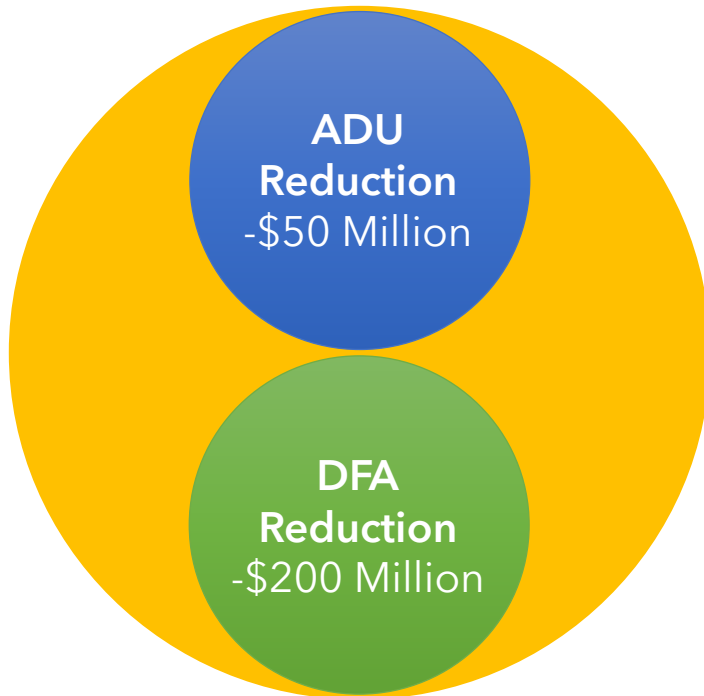
**We are here**



# CalHFA Items in the State Budget

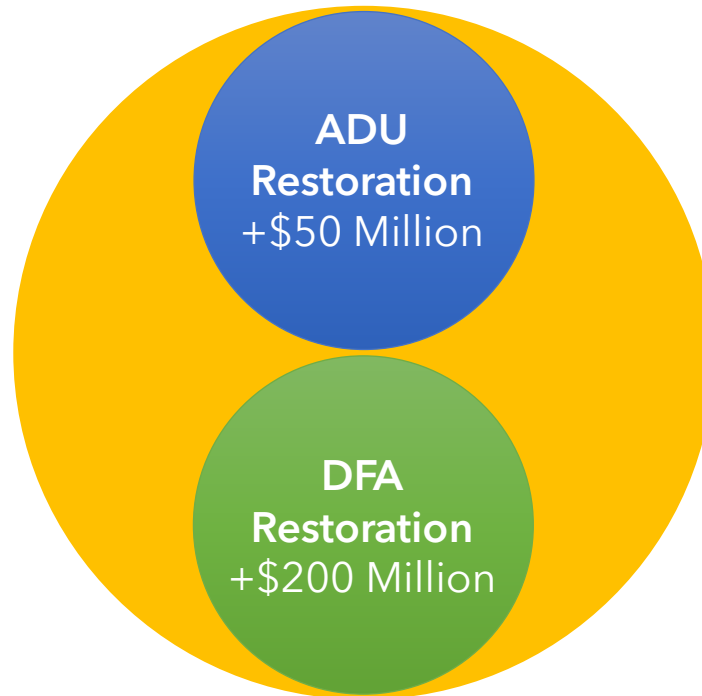
Jan 10<sup>th</sup>

## Governor's Budget



June 15<sup>th</sup>

## 2-Way Legislative Budget



By June 29<sup>th</sup>

## 3-Way Final Budget





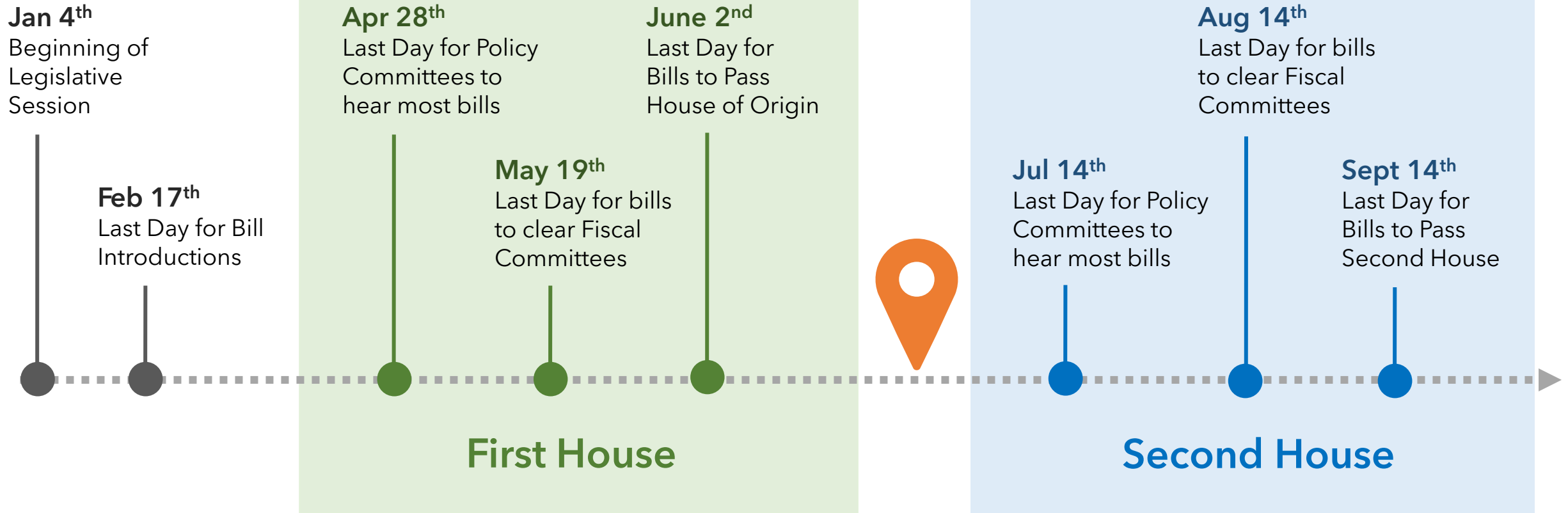
## Other Housing Items in the State Budget

- CalHOME
  - *2-way partially restored \$50 M of the \$100 M proposed reduction.*
- Multifamily Housing Program (MHP)
  - *2-way adds \$100 M*
- Accountability of locals' response to homelessness
- Round 5 of the Homeless Housing, Assistance and Prevention (HHAP)

# State Legislative Session



## State Legislative Process





## Direct Impact to CalHFA Dead for the Year (2-Year Bills)

### Tax Increment Financing Districts

- ✓ AB 901 (Ting) Statewide pooled Tax Increment Financing (TIF) mechanism jointly administered by CalHFA and local affordable housing financing districts.







## Direct Impact to CalHFA Passed First House

### Common Application

- ✓ AB 519 (Schiavo) Requires HCD, CalHFA and TCAC/CDLAC to convene a working group to develop a common financing application.

### Revocable Living Trusts

- ✓ AB 717 (Villapudua) - Mandates Revocable Living Trust Education in the CalHFA Homebuyer Education

### Homeownership in Statewide Housing Plan

- ✓ AB 1508 (Ramos) Incorporates an analysis of homeownership landscape and DPA policies into HCD's Statewide Housing Plan, in consultation with CalHFA.





## Direct Impact to CalHFA Passed First House

### ADU Grant Program Evaluation

- ✓ AB 932 (Ting) Requires CalHFA to conduct an evaluation of the ADU Grant program by Jan 1<sup>st</sup>, 2025.

### Streamlining

- ✓ SB 469 (Allen) Eliminates Art 34 voter threshold requirements for state affordable housing projects, including CalHFA's.

### Bond Measures

- ✓ SB 834 (Portantino), - \$25 billion bond measure for 2 programs administered by CalHFA:
  - \$18 B in DPA to be used in new construction.
  - \$7 B in infrastructure loans for new home construction.
- ✓ AB 1657 (Wicks) - \$10 billion affordable housing bond measure, with \$1 billion dedicated for HCD CalHOME and CalHFA MyHome homeownership programs.





Direct Impact to CalHFA  
**Passed Both Houses; Adopted**

## Resolution Supporting AHClA and 25% Test

- ✓ AJR 3 (Grayson) A joint resolution in support of the federal Affordable Housing Tax Credit Improvement Act of 2023 and urging Congress to lower the 50% test.







## Other Live Housing Bills - Passed First House



### Local Housing Finance

- SB 440 (Skinner) Authorizes 2 or more localities to establish a Regional Housing Finance Authority to raise and administer funding for affordable housing.
- AB 1319 (Wicks) Expands what the Bay Area Housing Finance Authority can do, including issuing MRBs, and acquiring, holding and disposing of property, and exempts its projects from CEQA.
- SB 20 (Rubio) Allows multiple cities to create a Regional Housing Fund JPAs to build affordable housing without having to go to the Legislature.



### Social Housing

- AB 309 (Lee) Creates the California Housing Authority (CHA) as a new autonomous state entity with the mission of producing and acquiring social housing.
- SB 584 (Limon) New 15% tax on short term rentals (e.g. Airbnb) to fund a workforce housing program administered at HCD.
- SB 555 (Wahab) Mandates that HCD produce a plan for creating 1.2 million units of social housing in 10 years.



## Other Live Housing Bills - Passed First House



### Land Use / Streamlining

- AB 1449 (Alvarez) Exempts from CEQA an affordable housing projects that pay prevailing wages.
- SB 423 (Wiener) Makes SB 35 ministerial approval permanent and makes some changes.
- SB 4 (Wiener) "By right" affordable housing development on land owned by religious institutions or independent higher education institutions.
- SB 439 (Skinner) Special motions to more easily dismissal frivolous CEQA lawsuits.



### Accessory Dwelling Units

- AB 671 (Ward) Allows CLTs and local agencies to build ADUs with CalHome funds.
- AB 1332 (Carrillo) Requires local agencies to create a program for the pre-approval of ADUs.
- AB 1033 (Ting) Allows local ordinances to allow ADUs to be sold separately.
- AB 976 (Ting) Makes permanent the existing prohibition on localities requiring owner-occupancy of ADUs.



## Other Live Housing Bills - Passed First House



### **Behavioral Health Treatment and Housing**

- SB 326 (Eggman) Modernizes and reforms the Mental Health Services Act, including expanding services, increasing resources and community support.
- AB 531 (Irwin) \$4.68 billion bond measure to fund 10,000 new clinic beds and housing for people experiencing homelessness with behavioral health needs.



### **State Funding**

- AB 346 (Quirk-Silva) Allows TCAC to allocate unused State Tax Credit, outside CalHFA's reservation, to 9% projects.
- SB 341 (Becker) Allows affordable housing developers to access IIG and AHSC even if the local city is anti-housing and is out of compliance with state law.
- AB 1053 (Gabriel) Allows HCD to make construction loans.

# Federal Update



## Federal Update

### Affordable Housing Tax Credit Improvement Act - Reintroduction

- 25% Test
- Bond Recycling Enhancement

### State of Play

- Potential Tax Vehicle
- Lowering the 25% test.







Federal Update

## Other Federal Issues

