



CSAC Analysis of Key Affordable Housing Package Funding Bills

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SB 2 (Atkins) – Building Homes and Jobs Act

Major Provisions

- Would establish a permanent source of funding for affordable housing in the form of a \$75 per document (up to \$225 per transaction) recording fee that would take effect January 1, 2018.
- The fee is expected to generate approximately \$225 million annually for affordable housing programs.
- In consultation with stakeholders, the Department of Housing and Community Development (HCD) may adopt guidelines to implement the measure, including a methodology for allocation of funds.

Allocation of Funds

- Funds collection in calendar year 2018 shall be shared equally between the state and locals.
 - Fifty percent of the funds (approximately \$112.5 million) will be made available to local governments to update planning documents and zoning ordinances in order to streamline housing production, including, but not limited to, general plans, community plans, specific plans, sustainable communities strategies, and local costal plans. Also eligible are CEQA reviews that eliminate the need for project specific review and expedite local permitting.
 - Five percent of the local funding is set aside for technical assistance in updating planning documents provided by the Governor’s Office of Planning and Research.
 - Forty-five percent of the fifty percent will be held by the Department of Housing and Community Development (HCD) until a local government submits a request for use of the funds.
 - The request must include a description of the proposed use of funds in the interest of accelerating housing production.
 - The local agency must have an approved housing element, submit a current annual housing element report as well as an annual report that provides ongoing tracking of the uses and expenditures of any SB 2 allocated funds to HCD.
 - Fifty percent of the revenues (approximately \$112.5 million) are for HCD to assist persons experiencing, or are at risk of, homelessness. This includes rapid rehousing, rental assistance, navigation centers, and new construction, rehabilitation, and preservation of permanent and transitional rental housing.
 - HCD must ensure geographic equity in the distribution and expenditure of funds.
- Funds collected in calendar years 2019 and beyond will be allocated seventy percent (approx.. \$157.5 million) to locals and thirty percent to the state (approx. \$67.5 million).
 - The seventy percent for local governments is allocated as follows:

- Ninety percent by federal Community Development Block Grant (CDBG) formula for federal fiscal year 2017.
 - The portion of CDBG revenues for entitlement counties will be allocated by formula.
 - The portion of CDBG revenues for non-entitlement counties will be allocated by competitive grant administered by HCD, with special consideration for small jurisdictions, among other considerations.
 - Eligible uses include predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low, and moderate income households, including operating subsidies.
 - Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income or 150 percent of area median income in high-cost areas.
 - Matching portions of funds placed into local or regional housing trust funds.
 - Matching portions of funds available through the Low and Moderate Income Housing Asset Fund
 - Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.
 - Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - Accessibility modifications.
 - Efforts to acquire and rehabilitate foreclosed or vacant homes.
 - Homeownership opportunities, including but not limited to, Downpayment assistance.
 - Fiscal incentives or matching funds to local agencies that approve new housing for extremely low, very low, and low and moderate income households.
 - Ten percent will be allocated equitably to local governments that are non-entitlement jurisdictions.
- The thirty percent for the state is allocated as follows:

- Fifteen percent shall be continuously appropriated to the California Housing Finance Agency for the purpose of creating mixed income multifamily residential housing for low and moderate income households.
- Ten percent to be appropriated by the Legislature to be used to address affordable homeownership and rental housing opportunities for agricultural workers and their families
- Five percent to be appropriated by the Legislature to be used for state incentive programs, including loans and grants administered by HCD.

SB 3 (Beall) – the Veterans and Affordable Housing Bond Act of 2018

- Would place on the November 2018 general election ballot a \$4 billion general obligation bond for affordable housing and veterans’ home loan assistance programs.
- Counties are eligible to apply for various programs valued at \$3 billion, including:
 - \$1.5 billion to the Multifamily Housing Program
 - Assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households.
 - \$300 million to the Infill Infrastructure Grant Program
 - For Qualifying Infill Projects and large multi-phased Qualifying Infill Projects.
 - \$300 million to the Joe Serna Jr. Farmworker Housing Fund
 - Finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.
 - \$300 million to Local Housing Trust Fund Matching Grant Program
 - Fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing.
 - \$300 million to the CalHome/Self Help Housing
 - Enable low- and very low-income households to become or remain homeowners.
 - \$150 million to the Transit Oriented Development Implementation Fund
 - Low-interest loans are available as gap financing for rental housing developments that include affordable units, and as mortgage assistance for homeownership developments. Grants are available to cities, counties, and transit agencies for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.
- The bond would also fund the CalVet Home Loan program, which Assists veterans in purchasing homes and farms. SB 3 provides \$1 billion in tax-exempt veteran’s bonds that are repaid by CalVet loan holders through the payment of principal and interest on their loans.