

Public Meeting Agenda

California Housing Finance Agency Board of Directors

Thursday, October 26, 2023

10:00 a.m.

This meeting will be conducted virtually, with public participation though video only

Click on the Zoom link to register:

<https://events.zoom.us/j/846123456789>

1. Roll Call
2. Approval of the meeting minutes of the September 21, 2023 meeting1
3. Chairperson/Executive Director comments (Presented by Jim Cervantes and Tiena Johnson Hall)
4. Report from the Audit Committee (Presented by Dalila Sotelo)
5. Board Governance Training (Presented by Guest Speaker Mandy Merchant, Principal, CliftonLarsonAllen, LLP.)4
6. Discussion, recommendation, and possible action to implement Phase 2 of the California Dream for All Program (Presented by Ellen Martin, Director of Homeownership and Kathy Phillips, Director of Marketing and Communications)27
- Resolution Number 23-1255**
7. Discussion, recommendation, and possible action to implement Phase 2 of the Accessory Dwelling Unit Grant Program (Presented by Sharyl Silva, Housing Finance Officer)58
- Resolution Number 23-1371**
8. Informational written reports:
 - A. Single Family Loan Production report74
 - B. California Mortgage Relief Program report79
 - C. Annual Investment report82

D. Legislative End of Session report	86
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9. Other Board matters

10. Public comment: Opportunity for members of the public to address the Board on matters within the Board's authority

11. Adjournment

MINUTES

California Housing Finance Agency (CalHFA) Board of Directors Meeting September 21, 2023

Meeting noticed on September 11, 2023

1. ROLL CALL

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:04 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT: Avila Farias, Castro Ramírez, Cervantes, Johnson Hall, Limón, Henning (for Ma), Mirzazad (for Assefa), Prince, Russell, Sin, Velasquez, White, Williams

MEMBERS ARRIVING
AFTER ROLL CALL: None

MEMBERS ABSENT: Cabildo, Miller (for Stephenshaw), Sotelo

STAFF PRESENT: Claire Tauriainen, Chris Shultz, Melissa Flores, Courtney Pond, Francesc Martí, Ellen Martin, Kate Ferguson, Erwin Tam

GUEST SPEAKER: Geoff Proulx, Managing Director, Morgan Stanley

2. Approval of the Minutes – June 22, 2023

On a motion by Henning, the minutes were approved by unanimous consent of all members in attendance.

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes welcomed everyone to the meeting. He shared that he has been meeting individually with fellow Board members throughout the summer and has been impressed with their knowledge and passion for affordable housing.

Executive Director comments:

- Executive Director Johnson Hall shared that recently enacted legislation has allocated \$25 million to CalHFA for ADUs and \$220 million for the California Dream for All program. She thanked the legislature and Governor for passing SB 469, which eliminates Article 34 voter threshold requirements for state affordable housing projects.
- She continued her remarks by stating that CalHFA released its initial offering of new affordable housing revenue bonds last month.
- She stated that fiscal year production numbers for the agency created nearly 14,000 housing opportunities for Californians. The California Mortgage Relief Program has distributed over \$500 million in grants to homeowners struggling with their mortgage payments due to COVID related hardships.
- She closed her comments by sharing stakeholder engagements she has participated in over the past several months, including speaking at the San Joaquin Valley Housing Collaborative's annual conference.

4. Legislative and State Budget Update

Presented by Francesc Martí, Director of Policy, Strategy, and Legislative Affairs

Martí provided the Board with an update on end-of-session legislation and the state budget. He discussed bills that have a direct impact on CalHFA including AB 932 which requires the agency to conduct an evaluation of its ADU Grant Program by January 2025. He discussed two budget bills that have been signed by Governor Newsom: SB 104 and SB 143. SB 104 reduced CalHFA's ADU funding to \$25 million from \$50 million and SB 143 increased the funding for the California Dream for All program from \$200 million to \$220 million.

5. Update on California Dream for All Program

Presented by Ellen Martin, Director of Homeownership

Martin provided the Board with an update regarding the implementation of the next phase of the Dream for All program. She highlighted that the next phase plans on providing potential homebuyers with more time to access the program, as well as to increase the program uptake in Black communities while maintaining the performance of Latino, AAPI and Tribal communities. She also stated the program would seek to increase regional

balance in fund distribution by building uptake in areas of the state that were under-represented in the first phase of the program.

6. Report on Multifamily Program Production for Fiscal Year-End

Presented by Kate Ferguson, Director of Multifamily Programs

Ferguson provided the Board with an overview of fiscal year-end multifamily production numbers. She reported that in FY 2022/23, the Multifamily division achieved a record \$1.9 billion in total production from a combination of new commitments, loan closings along with conduit bond issuances.

7. Report on Multifamily Loan Financing Strategy and 2023 Affordable Housing Revenue Bonds Post Sale

Presented by Erwin Tam, Director of Financing with guest speaker Geoff Proulx, Managing Director, Morgan Stanley

Tam began the joint presentation by providing the Board with an overview of the financing strategy for multifamily loan commitments, while Proulx walked the Board through the post-sale report of the revenue bonds CalHFA recently issued.

8. Informational written reports

Chair Cervantes asked if there were any questions regarding the written informational reports and there were none.

9. Other Board matters

Chair Cervantes asked if there were any other Board matters and there were none.

10. Public comment

Chair Cervantes asked if there were any members of the public who wanted to make a public comment and there were none.

11. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 1:08 pm.



We'll get you there.

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BOARD GOVERNANCE TRAINING California Housing Finance Agency

October 26, 2023
Presented By:
Mandy L. Merchant

Objectives

- Brief Overview of Accountability and Fiduciary Responsibility
- Specifics for the California Housing Finance Agency Board



Fiduciary Duties

6

Duty of Care

- Diligence and attentiveness to board responsibilities. Act as “an ordinarily prudent person” would “in a like position and under similar circumstances.”

Duty of Loyalty

- Faithful pursuit of the interests of the organization rather than personal interests or the interest of another person or organization means that decisions are to be made in the best interests of CalHFA.

Duty of Obedience

- Act with fidelity, within the bounds of law generally, to the organization’s mission.



Duty of Care

Attend meetings and actively participate in the work of the Board.

Scrutinize the work of committees having authorization of the Board.

Participate in Board actions. If you are there, you are responsible for knowing the board materials prior to the meeting. Be present.

Know the books and records.

Protect the organization's assets consistent with restrictions and legal requirements.



Duty of Loyalty

8

Follow your written policies on conflicts of interest.

Do not divert a corporate business opportunity for your own personal gain, own organization, or for another entity.

Adhere to the rules of the Internal Revenue Code regarding self-dealing.

Do not take gifts from individuals or entities subject to the Agency's jurisdiction.



Governance Vs. Management

Governance is the ultimate responsibility of the board, while the responsibility of the staff is management.

VS

The Executive Director is statutorily responsible for the day-to-day operational decisions of CalHFA while the Board is responsible for operational performance of the Agency as a whole.



Purpose of the Governing Board

- Purposes for the board of directors
 - To provide organizational oversight
 - To maintain accountability to the public and the law
- The Board must ensure:
 - The Future
 - The Mission
 - Effective Governance
 - Effective Operations





ADDITIONAL REQUIREMENTS



Open Meeting Requirement

- Meetings conducted in public with 10 days advance notice
- Only vote on matters properly noticed and on agenda
- Majority cannot communicate with each other for CalHFA business except in open meeting
- Closed sessions are limited – authorized by law and on agenda
- Emergency meetings can have less than 10 days notice under special circumstances



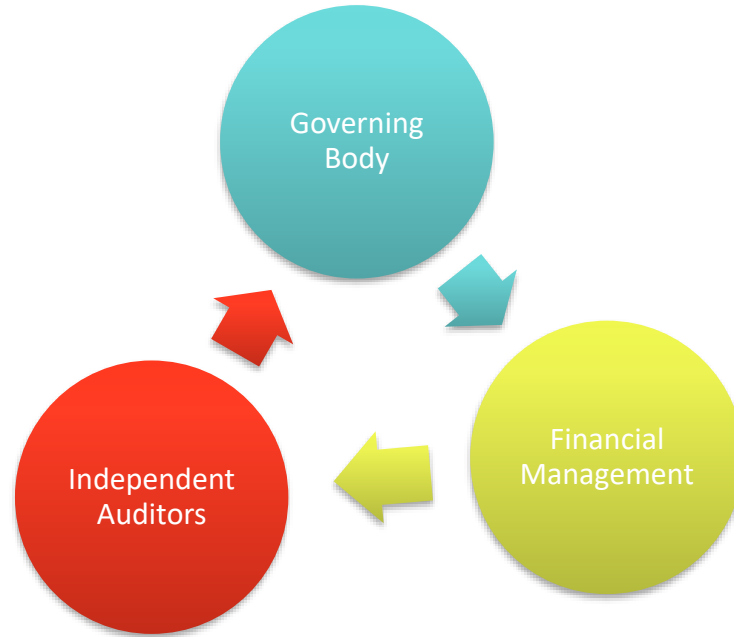
Duty of Disclosure of Economic Interests

- Rely on Agency's disclosure process
- Reporting obligation if:
 - Knew, or
 - Should have known



Financial Reporting Responsibilities

- Three main groups responsible for quality of financial reporting:



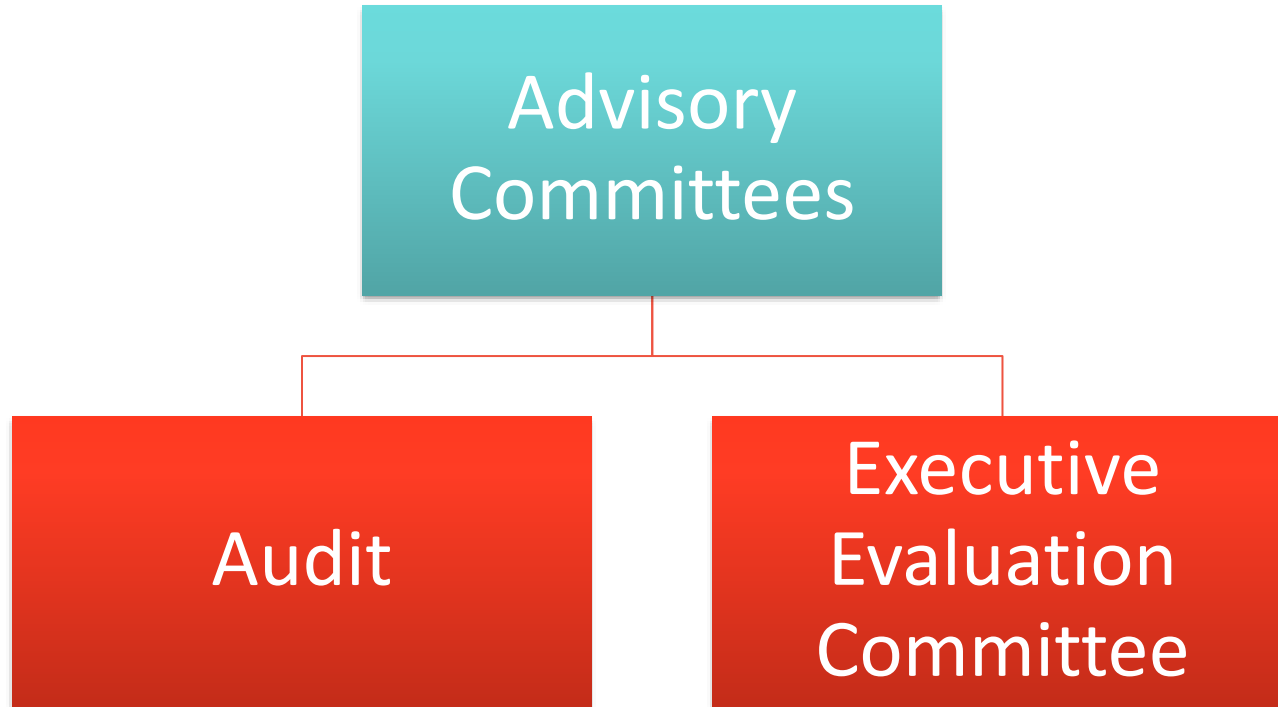
Financial Oversight

- Financial oversight is a core responsibility of the board
 - That means that ALL board members equally share or have equal representation on the following:
 - Shared fiduciary responsibility for the organization
 - Understand the content and significance of financial statements and audit



Two Advisory Committees

16



Role of the Audit Committee

Makes recommendations for selection and retention of auditors.

Review audit findings.

Reports to the Board.

Review and update the Committee's charter annually.



Role of the Executive Evaluation Committee

Evaluate the Executive Director and compensation of key exempt management.

Recommends evaluation of Executive Director to Board.

Develop compensation policies and procedures to attract and retain talent.

Review and discuss management succession.



Audit Committee Best Practices - Characteristics

- Possess a basic understanding of governmental financial reporting and auditing.
- Have access to at least one financial expert
- Enough members to ensure meaningful discussion and deliberation – minimum of 3.
- Exercise professional skepticism.



Audit Committee Best Practices - Duties

- Provide independent review and oversight of financial reporting processes, internal control and independent auditors.
- Establish procedures for receipt, retention and treatment of complaints regarding accounting , internal control, or auditing matters.
- Annually present to the full Board – written report of how it discharged its duties and met its responsibilities.





Understanding of Fraud Risks at the Agency

Source: ACFE 2022 Global
Study on Occupational
Fraud and Abuse



OUR STUDY COVERED:

22



DETECTION



42% of frauds were detected by tips, which is nearly **3x** as many cases as the next most common method



More than **HALF** of all tips came from employees

40%

33%

27%



● Email

● Web-based/online form

● Telephone hotline



Email and web-based reporting **BOTH** surpassed telephone hotlines

SCHEMES

ASSET MISAPPROPRIATION SCHEMES are the most common but least costly



\$100,000 median loss

FINANCIAL STATEMENT FRAUD SCHEMES are the least common but most costly



\$593,000 median loss

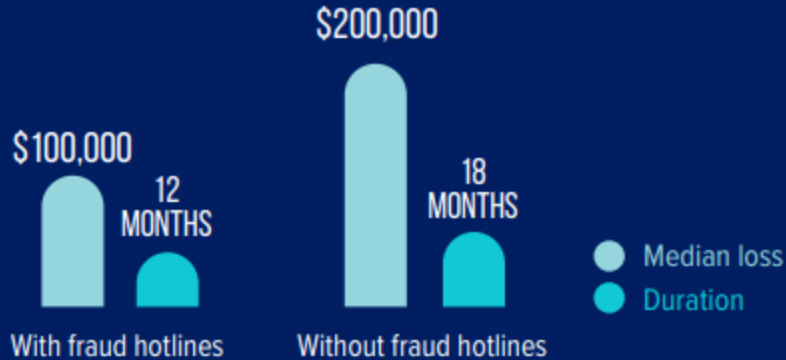


CORRUPTION was the most common scheme in every global region



ORGANIZATIONS WITH HOTLINES

detect fraud more quickly and have lower losses
than organizations without hotlines



A TYPICAL FRAUD CASE

causes a loss of
\$8,300 per month
lasts **12 months**
before detection

8% of fraud cases
involved the use
of **CRYPTOCURRENCY**

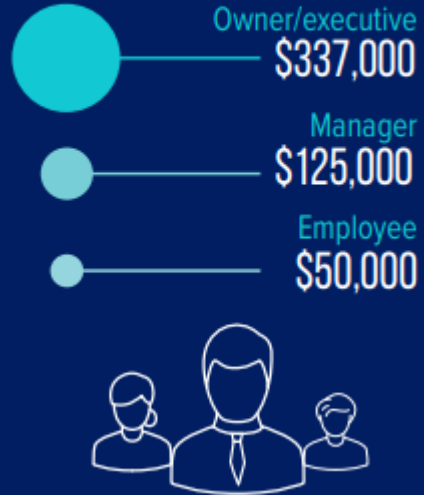


Among these cases, cryptocurrency was most commonly used for:

48% Making
bribery and
kickback payments

43% Converting
misappropriated
assets

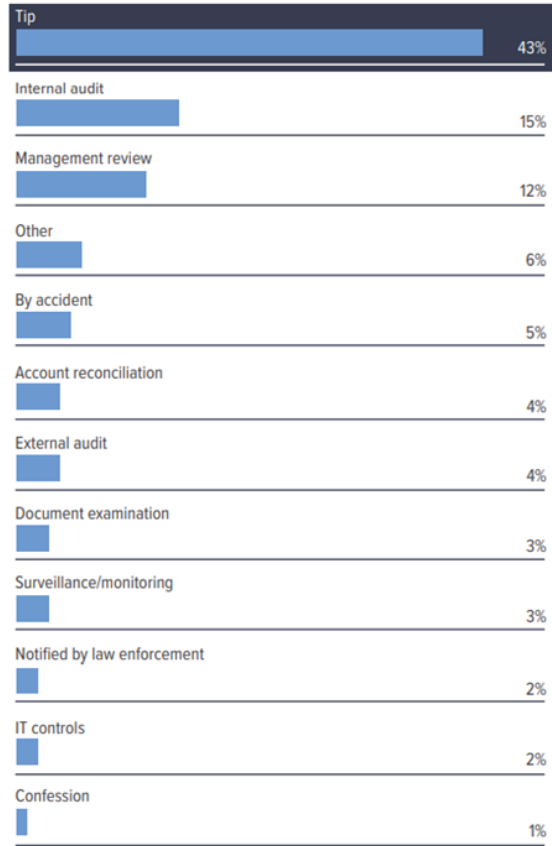
Owners/executives committed only 23% of occupational frauds, but they caused the largest losses



Nearly half of all occupational frauds came from these four departments:



FIG. 9 How is occupational fraud initially detected?



ANTI-FRAUD CONTROLS

The presence of anti-fraud controls is associated with



LOWER
fraud losses

AND



QUICKER
fraud detection

Nearly **HALF** of cases occurred due to:

Lack of
internal controls

OR

Override of
existing controls

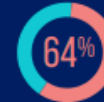
29%

20%

81% of victim organizations **MODIFIED** their anti-fraud controls following the fraud.



Increased management
review procedures



Increased use of proactive
data monitoring/analysis



Mandy L. Merchant
Audit Principal
Mandy.Merchant@CLAconnect.com
443-803-6989



CLAconnect.com



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MEMORANDUM

To: CalHFA Board of Directors

Date: October 26, 2023

From: Ellen Martin, Director of Homeownership Programs
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Agenda Item 6 – Discussion, recommendation, and possible action to implement Phase 2 of the California Dream for All Program

Staff Recommendation

CalHFA staff respectfully request the following Board actions to implement Phase 2 of the Dream for All Program, appropriating approximately \$255 million to fund approximately 2,000 shared appreciation loans:

- Approve Resolution 23-12 approving implementation of Phase 2 of the Dream for All Program and authorizing staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.

Introduction and Overview

The 2022-23 State Budget established the California Dream for All Program (Dream for All, DFA or Program), a revolving, shared appreciation loan program designed to increase access to home ownership for low- and moderate-income Californians.

The 2022-23 State Budget originally allocated \$500 million for the program. CalHFA launched Phase 1 of the Dream for All program in March 2023 with the \$300 million in funding available at that time. The program was extremely popular, and all available funds were committed in eleven days.

The 2023-24 State Budget appropriated an additional \$20 million for the program, in addition to the \$200 million in appropriation authority remaining from the 2022-23 Budget Act. CalHFA also has approximately \$35 million in fallout funds from Phase 1, bringing the total available funding for Phase 2 to \$255 million. It is anticipated that this amount will fund an additional approximately 2,000 shared appreciation loans. Accompanying trailer bill language establishes specific requirements for Phase 2.

The remainder of this memorandum describes the statutory parameters for Phase 2, associated proposed program calibrations, and recommends Board approval of Resolution 23-12 to appropriate funds for Dream for All Phase 2.

Trailer Bill Requirements

Senate Bill 104 establishes parameters for Phase 2 of the Dream for All program, which requires CalHFA to establish program guidelines accomplish the following:

1. Define first-generation homebuyers and target funds to aid first generation homebuyers.
2. Support an equitable distribution of program funds in different regions of the state.
3. Prioritize participation by homebuyers in the lower tiers of the income eligibility structure.

Proposed Program Calibrations

CalHFA staff have established several proposed program calibrations to implement the trailer bill requirements:

1. Upgrade to the loan delivery system to provide more time to access the program and to encourage new homebuyers to enter the market.
2. Integration of First-Generation eligibility criteria.
3. Implementation of geographic set asides to support an equitable distribution of program funds in different regions of the state.
4. Change to loan parameters (income, shared appreciation loan amount, and limitations on borrower funded down payment) to prioritize lower income homebuyers.

Each program calibration is described in further detail below.

Upgraded Delivery System

CalHFA's down payment assistance programs are typically distributed via a system whereby a loan reservation is secured after the borrower enters a contract to purchase a home. However, because Dream for All Phase 1 was dramatically oversubscribed, for Phase 2 of the Program, CalHFA will establish a preregistration system that will allow borrowers to secure a Dream for All reservation before entering into a contract to purchase a home.

Prospective Phase 2 Dream for All borrowers will have an established period to submit their application and preliminary eligibility information via the preregistration system. After a preliminary eligibility screen, a subset of applicants will be selected via a randomized lottery to receive a Dream for All program voucher. Those voucher holders will then have a specified period of time to shop for a home, enter a purchase contract, and reserve their loan in CalHFA's system.

The preregistration system will also establish a waitlist of prospective DFA borrowers who may be awarded a voucher as additional funds are available through Program fallout.

In addition to providing prospective DFA borrowers more time to access program the program and ensuring the program is serving buyers not already on the cusp of purchasing a home, the preregistration system is integral to achieving the remaining Phase 2 objectives as described in the sections to follow.

First Generation Eligibility Criteria

Consistent with requirement for all CalHFA down payment assistance program, all Dream for All borrowers will be required to be first time homebuyers.¹ Phase 2 of the Dream for All program will further narrow eligibility by requiring at least one of the borrowers on the loan to meet the definition of a "First Generation" homebuyer meeting the following general criteria:

- The borrower has never owned a home in the United States.

¹ A first time homebuyer is defined as a borrower that has not had an ownership interest in their primary residence in the last three years.

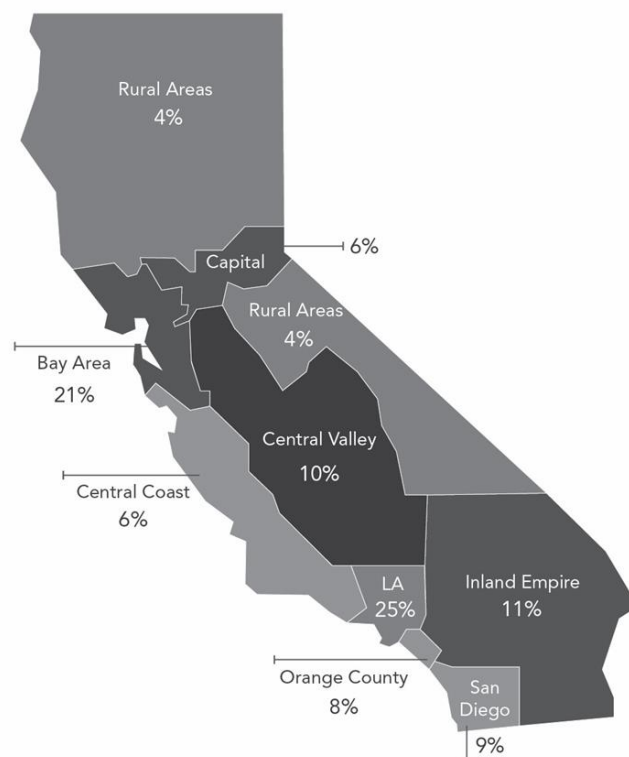
- The borrower's parents or legal guardians have not owned a home in the United States in the last 10 years.
- The borrower grew up in foster care.

First-Generation Homebuyer eligibility will be established based on an attestation under penalty of perjury. During the implementation process, CalHFA will establish a procedure to sample a certain number of DFA borrowers whose First-Generation Homebuyer status will be reviewed and confirmed.

Geographic Set Asides

To support an equitable distribution of program funds in different regions of the state, CalHFA staff plan to use the preregistration system to account for geographic set asides for program. DFA preregistration vouchers will be awarded proportionate to each region's composition of California households (using TCAC regions). See **Map 1**.

Borrowers would be qualified based on their current address and would be able to purchase a home in any county where they are income qualified. If the Geographic Set Aside percentage is reached, the program will establish a prioritized waitlist for each region. Fallout funds from program applicants that do not close on a home would in first instance be allocated to borrowers on the waitlist in the prioritized order established by the lottery. It is important to note that shifting to geographic pools may have effects on the overall demographics of borrowers served by the program. Currently, CalHFA programs perform well in the Latino community due to high performance in the Inland Empire and Central Valley. Reducing loan volumes in these



Map 1: Proposed DFA Phase 2 Regional Pools

regions may therefore shift the racial/ethnic distribution of program performance. Some of these effects may be ameliorated by improved performance in the Los Angeles, Central Coast, and San Diego regions but outcomes are difficult to predict at this time.

Revised Loan Parameters to Serve Lower Income Borrowers

CalHFA staff have developed several revisions to the Dream for All Shared Appreciation Loan parameters designed to prioritize participation by homebuyers in the lower tiers of the income eligibility structure. These include reductions to the DFA Program income limits, limiting the amount of additional down payment a borrower can make, and capping the loan amount.

- Reduced Income Limits.** DFA Phase 2 income eligibility would be reduced from income limits based on 150% Area Median Income (AMI) to limits based on 120% AMI. CalHFA staff have reviewed the estimated housing affordability at these income levels. Summarized in **Table 1**, CalHFA staff find that lower income limits may present some challenges in high-cost areas, but median home prices are largely within affordable ranges for most of the State. Where high housing costs do present challenges, it is important to note that DFA borrowers may choose to buy a home in any county in which they are income qualified.
- Limits on Borrower Funded Down Payments.** Updated loan parameters will include a minimum cumulative loan to value ratio of 95%, which means that the total amount borrowed to purchase a home must be 95% of the actual purchase price. This parameter thus limits borrower funded down payments to 5% of the purchase price so that DFA loans are reserved for those borrowers that do not otherwise have the means to make a substantial down payment.
- Cap on Shared Appreciation Loan Amount.** In DFA Phase 1, borrowers were allowed to take a shared appreciation loan up to 20 percent of the home sales price. For DFA Phase 2, the shared appreciation loan amount will be capped at the lesser of 20 percent or \$150,000.

CalHFA staff designed these changes to prioritize borrowers at the lower end of the income tier, but to allow sufficient flexibility to respond to market conditions in individual regions. CalHFA staff estimate that these changes will place downward pressure of DFA sales prices but note that maximum affordable home price ranges vary significantly by geography, as illustrated in **Table 1**.

Requested Board Action

CalHFA staff respectfully request the following Board action:

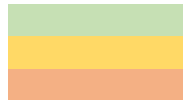
- Approve Resolution 23-12 approving implementation of Phase 2 of the Dream for All Program and authorizing staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.

Table 1: Estimated Housing Affordability by Income Limit and Geography

REGION/COUNTY	Income at 120% AMI	Estimated Affordable Home Price Range [1]		Median Home Price (July 2023)
		Low	High	
BAY AREA REGION				
ALAMEDA	\$234,000	\$868,000	\$1,129,474	\$1,050,000
CONTRA COSTA	\$234,000	\$868,000	\$1,129,474	\$800,000
MARIN	\$277,000	\$1,000,000	\$1,308,421	\$1,336,500
NAPA	\$205,000	\$779,000	\$1,009,474	\$855,000
SAN FRANCISCO	\$277,000	\$1,000,000	\$1,308,421	\$1,300,000
SANTA CLARA	\$287,000	\$1,031,000	\$1,349,474	\$1,420,000
SAN MATEO	\$277,000	\$1,000,000	\$1,308,421	\$1,430,000
SOLANO	\$178,000	\$682,500	\$896,842	\$565,000
SONOMA	\$202,000	\$770,000	\$996,842	\$775,000
CENTRAL VALLEY REGION				
FRESNO	\$132,000	\$506,250	\$694,667	\$385,000
KERN	\$132,000	\$506,250	\$694,667	\$350,000
KINGS	\$132,000	\$506,250	\$694,667	\$375,000
MADERA	\$132,000	\$506,250	\$694,667	\$400,000
MERCED	\$132,000	\$506,250	\$694,667	\$405,000
SAN JOAQUIN	\$158,000	\$606,250	\$813,684	\$489,000
STANISLAUS	\$146,000	\$560,000	\$764,211	\$445,000
TULARE	\$132,000	\$506,250	\$694,667	\$361,500
CAPITAL REGION				
EL DORADO	\$180,000	\$690,000	\$905,263	\$635,000
PLACER	\$180,000	\$690,000	\$905,263	\$667,000
SACRAMENTO	\$180,000	\$690,000	\$905,263	\$534,000
YOLO	\$180,000	\$690,000	\$905,263	\$597,250
CENTRAL COAST				
MONTEREY	\$159,000	\$610,000	\$817,895	\$824,500
SAN BENITO	\$222,000	\$831,000	\$1,080,000	\$725,000
SAN LUIS OBISPO	\$179,000	\$686,250	\$901,053	\$813,000
SANTA BARBARA	\$169,000	\$648,750	\$860,000	\$736,500
SANTA CRUZ	\$210,000	\$794,000	\$1,030,526	\$1,145,000
VENTURA	\$195,000	\$747,500	\$967,368	\$816,000
INLAND EMPIRE				
SAN BERNARDINO	\$149,000	\$571,250	\$776,842	\$500,000
RIVERSIDE	\$149,000	\$571,250	\$776,842	\$555,000
LOS ANGELES COUNTY	\$155,000	\$595,000	\$802,105	\$845,000
ORANGE COUNTY REGION	\$202,000	\$770,000	\$996,842	\$1,035,000

Table 1 (cont.)

REGION/COUNTY	Income at 120% AMI	Estimated Affordable Home Price Range [1]		Median Home Price (July 2023)
		Low	High	
SAN DIEGO REGION				
SAN DIEGO	\$185,000	\$710,000	\$926,316	\$850,000
IMPERIAL	\$132,000	\$506,250	\$694,667	\$345,000
RURAL AREAS				
ALPINE	\$181,000	\$693,750	\$909,474	\$395,000
AMADOR	\$160,000	\$613,750	\$822,105	\$425,000
BUTTE	\$145,000	\$556,250	\$760,000	\$380,000
CALAVERAS	\$152,000	\$582,500	\$789,474	\$450,000
COLUSA	\$132,000	\$506,250	\$694,667	\$415,000
DEL NORTE	\$132,000	\$506,250	\$694,667	\$362,000
GLENN	\$132,000	\$506,250	\$694,667	\$360,000
HUMBOLDT	\$132,000	\$506,250	\$694,667	\$475,000
INYO	\$135,000	\$517,500	\$710,667	\$525,000
LAKE	\$132,000	\$506,250	\$694,667	\$300,000
LASSEN	\$132,000	\$506,250	\$694,667	\$248,000
MARIPOSA	\$132,000	\$506,250	\$694,667	\$410,000
MENDOCINO	\$142,000	\$545,000	\$746,667	\$497,500
MODOC	\$132,000	\$506,250	\$694,667	\$280,000
MONO	\$151,000	\$578,750	\$785,263	\$671,000
NEVADA	\$178,000	\$682,500	\$896,842	\$627,500
PLUMAS	\$132,000	\$506,250	\$694,667	\$354,000
SHASTA	\$142,000	\$545,000	\$746,667	\$370,000
SIERRA	\$142,000	\$545,000	\$746,667	\$425,000
SISKIYOU	\$132,000	\$506,250	\$694,667	\$293,250
SUTTER	\$132,000	\$506,250	\$694,667	\$375,000
TEHAMA	\$132,000	\$506,250	\$694,667	\$315,000
TRINITY	\$132,000	\$506,250	\$694,667	\$330,000
TUOLUMNE	\$154,000	\$591,250	\$797,895	\$415,000
YUBA	\$132,000	\$506,250	\$694,667	\$374,000

LEGEND

Median Home price lower than affordable range.

Median Home price within 10% of affordable range.

Median Home price exceeds top of affordable range by more than 10%.

[1] Affordability estimated based on following assumptions:

	<u>Low</u>	<u>High</u>	<u>Notes</u>
Maximum DTI	35.0%	45.0%	
Income Available for Mtg Pmt	70.0%	70.0%	
Interest Rate	7.0%	7.0%	
Term	30 years	30 years	
DFA Contribution	20.0%	20.0%	Capped at \$150,000
Borrower Add'l Down Payment	0.0%	5.0%	

Analysis provided for illustration purposes only. Individual borrower circumstances will vary.



California Dream For All - Phase 2 Implementation

October 26, 2023

Ellen Martin

Director of Homeownership

Kathy Phillips

Director of Marketing



Presentation Overview



Staff seeking authorization to implement Phase 2 of the Dream for All Shared Appreciation Loan Program



Review of Updated Program Parameters and Supplemental Analysis



Detailed Marketing and Outreach Overview





California Dream For All

A revolving, **shared appreciation loan program** that provides loans for a down payment to qualified homebuyers.

Phase 1

- \$300 million in available funding
- 2,500 Reservations
- 2,200 New Homeowners (87% pull through)

Phase 2

- \$255 million in available funding (current + fallout)
- Projected 2,000 Reservations





Proposed Phase 2 Program Parameters



Loan Delivery and Registration System



First-Generation Homebuyer Eligibility Criteria



Geographic Set Asides



Target funds to Lower Income Tiers

- Reduced income eligibility
- Limited borrower funded down payments
- Cap on Shared Appreciation Loan Amount

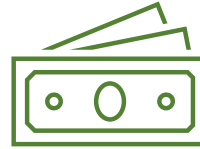




Income Analysis



Proposed Approach



Establish income limits
based on 120% AMI



**Allow borrowers to
purchase home in any
County in which they are
income qualified**



Monitor housing market
dynamics and uptake
by region



Conduct targeted
marketing and
outreach

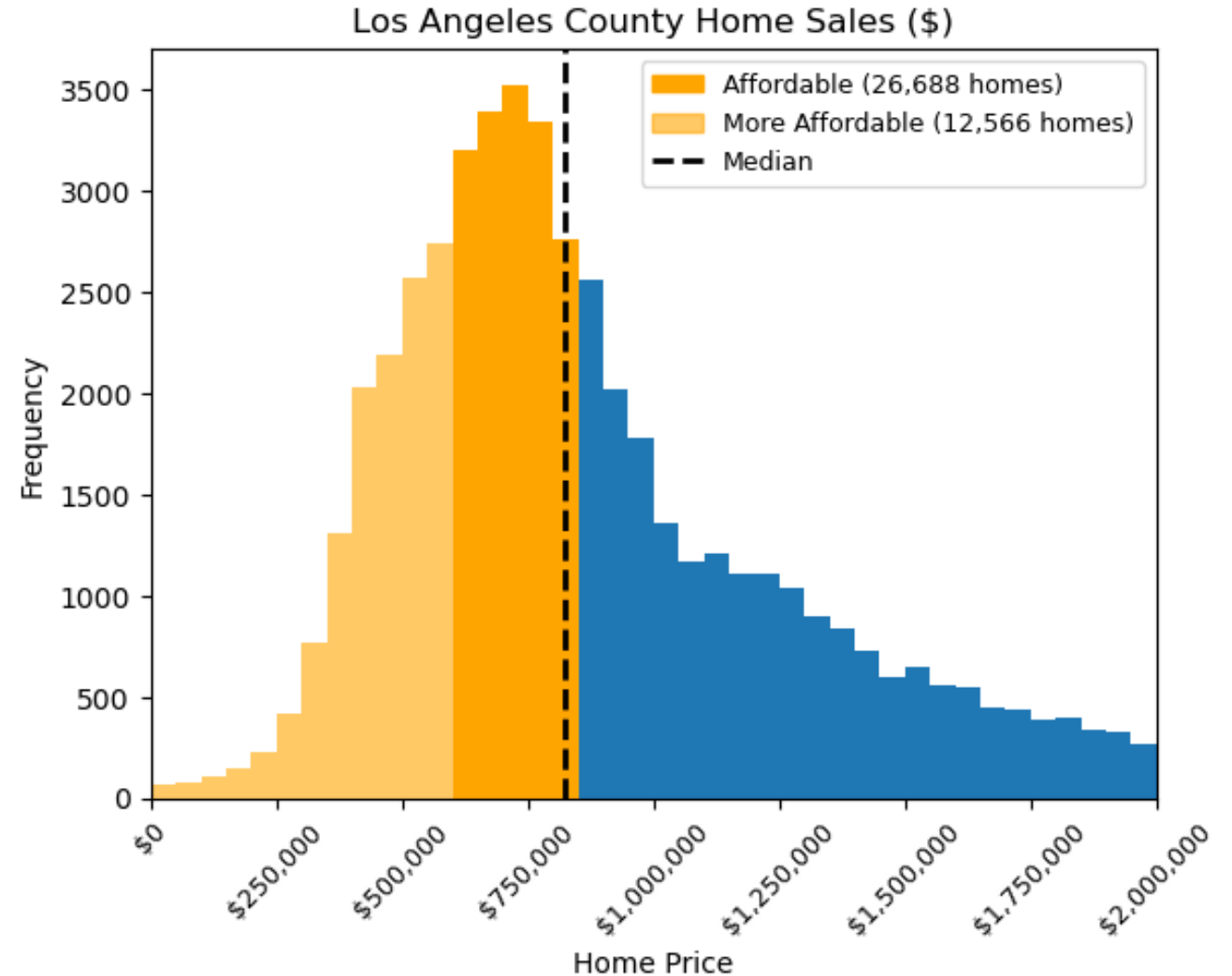
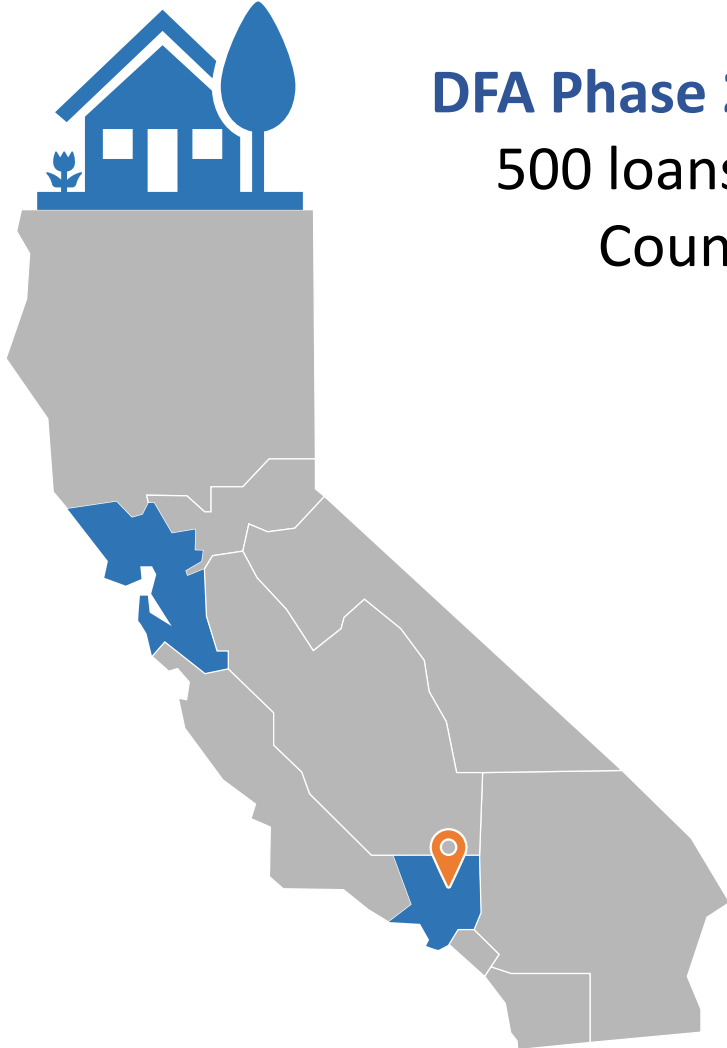


**Maintain flexibility to
recalibrate eligibility if
insufficient uptake**



Income Analysis – LA County Home Sales (Last 12 Months)

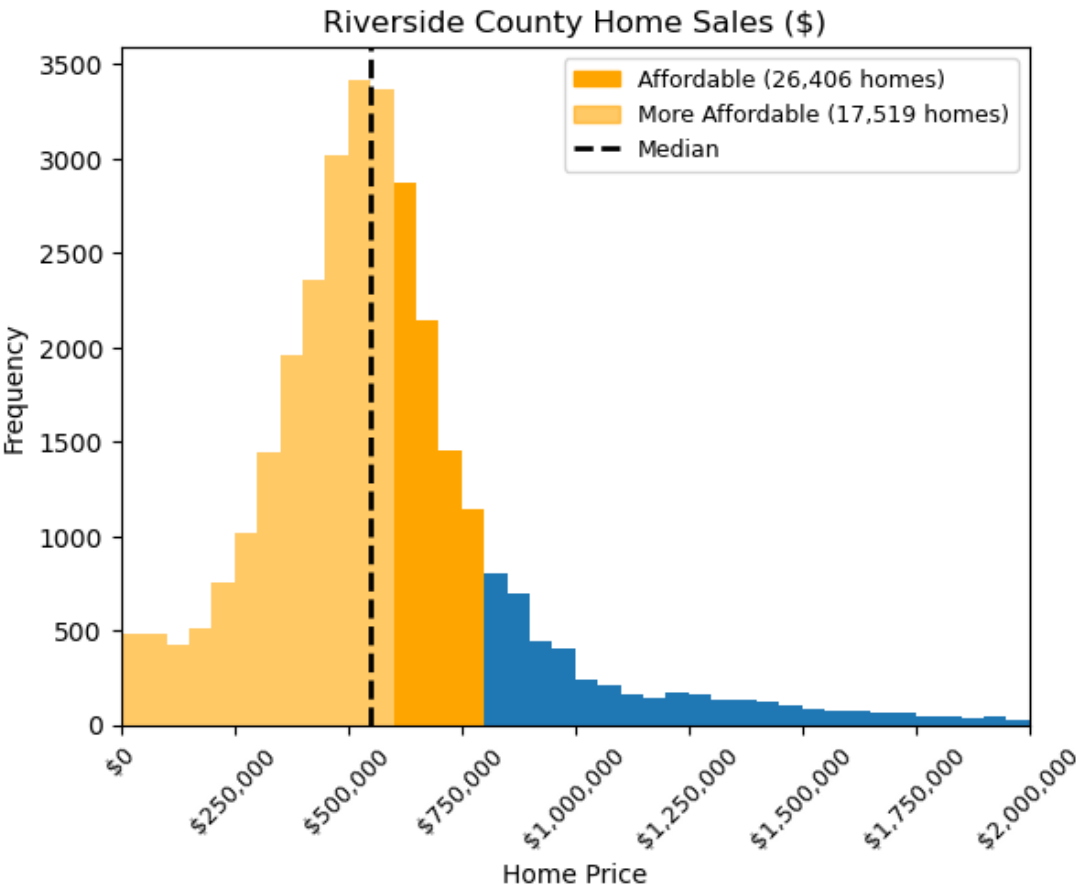
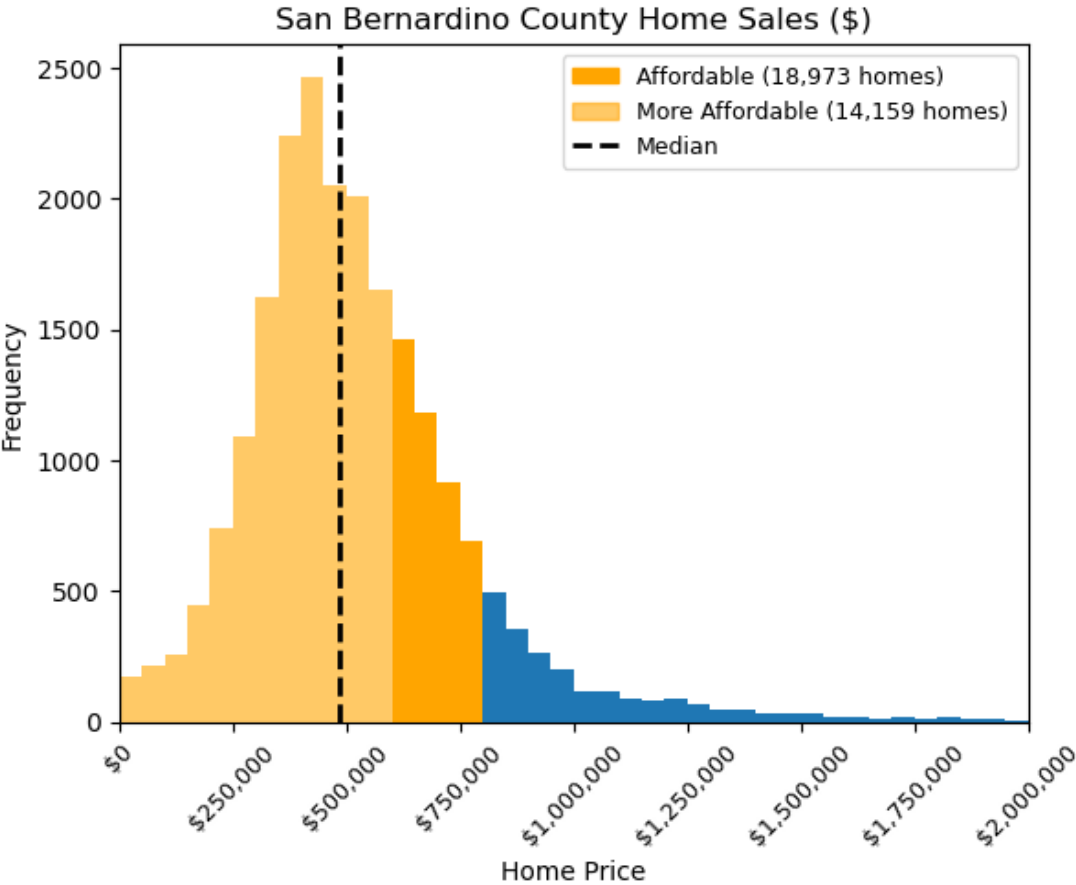
DFA Phase 2 Target:
500 loans in LA
County





Income Analysis – Inland Empire Home Sales (Last 12 Months)

DFA Phase 2 Target: 220 DFA loans in the Inland Empire (San Bernardino, Riverside, Imperial Counties)





Lender Network



CalHFA Preferred Loan
Officer Primary Territory



CalHFA Lender
Branch Locations



Marketing and Outreach



Planning

Key Steps in Planning

- Develop an aggressive, targeted outreach plan
- Hear from public, housing advocates
- Engage with industry experts, advisory partners

Feedback Previously Received

- Collaborate with partners
- Reach diverse & underserved
- Deliver clear information
- Reach first-generation homebuyers
- Reach lower income homebuyers



Messaging

Location of Messaging

- All outreach and marketing materials/ads/toolkits
- Primary DFA web page – hub for most accurate information

Clear Messaging

- Program is coming, get prepared now (*talk to mortgage professional*)
- Key changes for round 2
 - Lottery process (*not first come, first served*)
 - First-generation
 - Revised income limits

Actionable Messaging

- WHERE to find accurate & up-to-date information (*primary DFA webpage*)
- WHEN to register for a voucher
- WHAT information you will need to register



Target Audience - Homebuyers

Reach Diverse and Underserved Households

- Diverse communities, with focus on Latino and Black households
- Underserved geographic locations
- Lower-income households
- First-generation homebuyers



Target Audience - Partnerships

Outreach Partnerships

- Business Partners
 - Mortgage professionals: Lenders, Brokers, Real Estate Agents
 - National Assoc of Hispanic Real Estate Professionals (NAHREP)
 - CA Assoc of Black Real Estate Professionals (CABREP)
- Community Outreach Partners
 - Housing Counseling Agencies (*through Unidos and Balance*)
 - Local housing agencies
 - Faith-based organizations
 - Various Latino, Black, Native American and AAPI advocate organizations



Target Audience - Partnerships

Outreach Partnerships

- Key Advisory & Program Champions
 - Board of Directors
 - State Treasurer's Office & CA Forward
 - Legislature (*Latino and Black Caucus'*)
 - Mortgage & Real-estate Organizations
 - State partners: *Dept of Real Estate, CalVet, DFPI, HCD, The Civil Rights Dept*

Research & Discovery

- Develop outreach plan
- Internal/External Stakeholder feedback
- Connect & contract with community advocates



OCT/NOV 2023

Pre-Launch Actions

- Community/ grassroots to begin outreach
- Implement Marketing Tactics

MAR/APR 2024

SEPT/OCT 2023

Build & Develop

- Finalize Outreach Plan
- Design & produce materials
- Begin outreach to business partners
- Educate community partners on program

JAN/FEB/MAR 2024

Registration Period

- Continue community/grassroots outreach
- When closed communicate lottery and waitlist process



Outreach Tactics

Outreach Partners *(all activities are focused on the target audience)*

- Educate:
 - Hold training sessions
 - Provide educational videos and materials
 - Host informational webinars
- Supply:
 - Provide marketing collateral
 - Digital flyers
 - Social toolkits
 - Informational website
- Support:
 - Monitor program messaging to ensure mortgage partners are sharing accurate information



Marketing Tactics

Marketing Tactics *(all activities are focused on the target audience)*

- Organic
 - Social media posts
 - Social media toolkit for partners *(Board Members, State partners, Advocates)*
 - Webinars, specifically with legislative offices
- Paid Marketing
 - Social Media Marketing
 - Text Messaging
 - Out of Home Advertising
 - Hispanic Supermarkets
 - Laundromats
 - Radio & Print Advertising
 - Radio for Black and Hispanic audiences
 - Print for AAPI audiences



The Outreach Starts...and Continues



"Thank you so much for the video! I will be sending this to all of my Realtor partners and clients. It was very much needed and appreciated."

--Deborah Romero, Loan Officer

National Hispanic Organization of Real Estate Associates "Road To Homeownership"
Los Banos 10/14/23



Approve **Resolution 23-12**

- Approving implementation of Phase 2 of the Dream for All Program; and
- Authorizing staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.



Questions?

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY
3
4

5 RESOLUTION NO. 23-12
6

7 RESOLUTION AUTHORIZING USE OF FUNDS IN THE DREAM FOR ALL FUND
8

9 WHEREAS, on June 30, 2022, Senate Bill No. 197 came into effect and, among other
10 things added a new Chapter 12 (commencing with Section 51520) to Part 3 of Division 31 of the
11 Health and Safety Code, which created the California Dream for All Program (the “Program”)
12 and also established the California Dream for All Fund (the “Fund”),
13

14 WHEREAS, Assembly Bill No. 178 amended the Budget Act of 2022 and appropriated
15 \$500,000,000 to the Fund to be used by the California Housing Finance Agency (“Agency”) to
16 establish and implement the Program,
17

18 WHEREAS, the CalHFA Board of Directors (“Board”) previously authorized the use of
19 the Fund pursuant to Resolution 22-21 for the creation and implementation of the Program,
20

21 WHEREAS, the Dream for All Program launched on March 27, 2023 and deployed \$300
22 million for the first phase of the Program.
23

24 WHEREAS, Senate Bill No. 104 amended the Budget Act of 2023 and appropriated an
25 additional \$20,000,000 to the Fund to be used by the Agency to continue implementation of the
26 Program in a phase two (“Phase Two”), bringing remaining appropriation authority available for
27 the second phase of the Program to \$220 million in addition to any amounts returned to the Fund
28 through repayments or cancelled applications from the first phase of the program.
29

30 WHEREAS, Health and Safety Code Section 51004 provides that the Agency may utilize
31 moneys which may be appropriated from time to time by the Legislature for effectuating its
32 purposes; and,
33

34 WHEREAS, Agency staff has determined that it is in the public interest for the Agency
35 to accept and use the funds allocated pursuant to the Budget Act of 2023, as amended by Senate
36 Bill No. 104, for the purposes stated therein, and to formally implement Phase Two of the
37 Program.
38

39 NOW, THEREFORE, BE IT RESOLVED by the Board, in consideration of the above,
40 as follows:
41

42 Section 1. Recitals. The board hereby accepts that the above recitals are accurate and
43 have served, together with the Staff Report accompanying this Resolution and the additional
44 information the Board has been provided at the meeting, as the basis for the approvals and
45 directives set forth in this Resolution.
46

1 Section 2. Use of Funds. The Agency hereby acknowledges receipt of the funds
2 allocated pursuant to the Budget Act of 2023, as amended by Senate Bill No. 104, and authorizes
3 that such funds be used in accordance with the purposes stated therein, pursuant to Chapter 12 of
4 Part 3 of Division 31 of the Health and Safety Code.

5
6 Section 3. Authorization of Phase Two of the Program. The Board hereby approves of
7 implementing Phase Two of the Program, as more particularly described in the Staff Report, and
8 authorizes the Executive Director or her designee to implement said program by disbursing the
9 Fund as soon as practicable, and to execute all agreements, amendments and ancillary documents,
10 and to make any changes to said program reasonably necessary, to effectuate the intent for which
11 the Fund has been allocated to the Agency.

12
13

1 SECRETARY'S CERTIFICATE

2
3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further
5 certify that the foregoing is a full, true, and correct copy of Resolution No. 23-12 duly adopted at
6 a regular meeting of the Board of Directors of the California Housing Finance Agency duly called
7 and held on the 26th day of October 2023, at which meeting all said directors had due notice, a
8 quorum was present and that at said meeting said resolution was adopted by the following vote:
9

10 AYES:

11
12 NOES:

13
14 ABSTENTIONS:

15
16 ABSENT:

17
18 IN WITNESS WHEREOF, I have executed this certificate hereto this 26th day of
19 October 2023.
20

21
22 ATTEST:

23 _____
24 CLAIRE TAURIAINEN
25 Secretary of the Board of Directors of the
26 California Housing Finance Agency
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MEMORANDUM

To: Board of Directors **Date:** October 26, 2023

From: Sharyl Silva, Housing Finance Officer
California Housing Finance Agency

Subject: Agenda Item 7 – Discussion, recommendation, and possible action to implement Phase 2 of the Accessory Dwelling Unit Grant Program

Staff Recommendation

CalHFA staff respectfully request the following Board actions:

- Approve Resolution 23-13 to authorize the implementation of Phase 2 of the Accessory Dwelling Unit Grant Program and authorize staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.

Program Overview

In September 2021, CalHFA introduced the CalHFA Accessory Dwelling Unit (ADU) Grant Program, which provides funding for predevelopment and other costs necessary to build an ADU. With \$100 million in funding, the ADU Grant Program was developed to incentivize construction of ADUs by providing a grant of up to \$40,000 to fund predevelopment costs and closing costs associated with construction of an ADU.

The grant funds can be accessed through a CalHFA approved participant including lenders, credit unions, non-profits, and local government agencies.

Demand for ADU grant funds far exceeded the availability of funds. The original funding for the program was exhausted in December of 2022. Due to a modest number of cancellations CalHFA was able to open the portal for new reservation in March 2023 and funds were again exhausted quickly.



CalHFA ADU Grant Program

October 26, 2023

Sharyl Silva

Housing Finance Officer – Single Family



Overview of ADU Grant Program – Phase 1

\$100 
MILLION
IN GRANTS

\$40,000
MAXIMUM PER
HOMEOWNER 

 **2,500**
POTENTIAL
ADUS FINANCED





ADU Grant Program - Phase 2

- 23-24 State Budget as amended by Senate Bill 104 provides CalHFA with a one-time appropriation of \$25 million
- Legislative expectation is:
 - Allocate \$25 million for the ADU Grant Program - 600 grants
 - Maintain current program parameters except for income
 - Reduce income limits from moderate income (150% AMI) to target low-income homeowners (80% AMI)
- Available to approved participating lender network that includes local government agencies and non-profits



Participating Lender Network

- 23 Approved Lenders
- 3 Approved Credit Unions
- 5 Non-Profits
- 4 Local Government Agencies



[City of West Hollywood Affordable ADU Program](#)



[CCEDA](#)



[Hello Housing](#)



[HPP CARES](#)



[City of Oakland Keys to Equity Program](#)



[NHSLA ADU Program](#)



[NPFS Factory-Built ADU Financing Program](#)



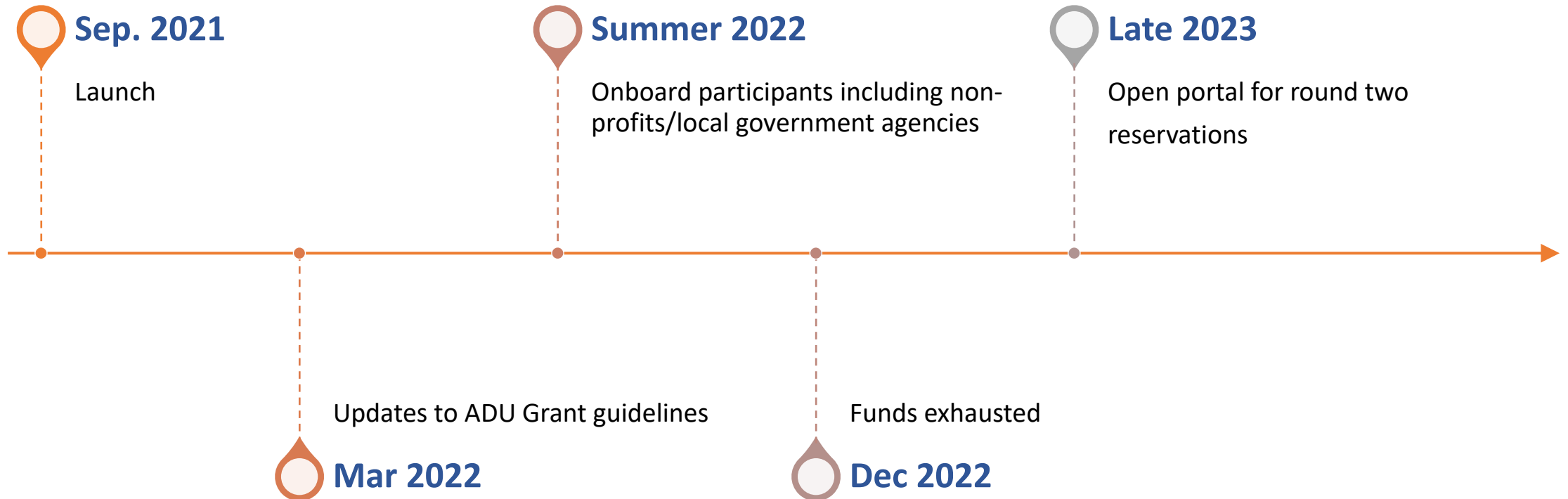
[Pasadena Second Unit ADU Program](#)



[San Diego Housing Commission ADU Financing Program](#)



ADU Grant Timeline





Staff Recommendation

- Resolution 23-13 approving implementation of Phase 2 of the Accessory Dwelling Unit Grant Program and authorizing staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.





Questions?



ADU Grant Program Phase 1 Outcomes



Non-Profits

- Escrow management services for ADU construction
- ADU education including landlord education

Lenders

- 2nd mortgage financing options
- Expanded guidelines including using future rental income for qualifying



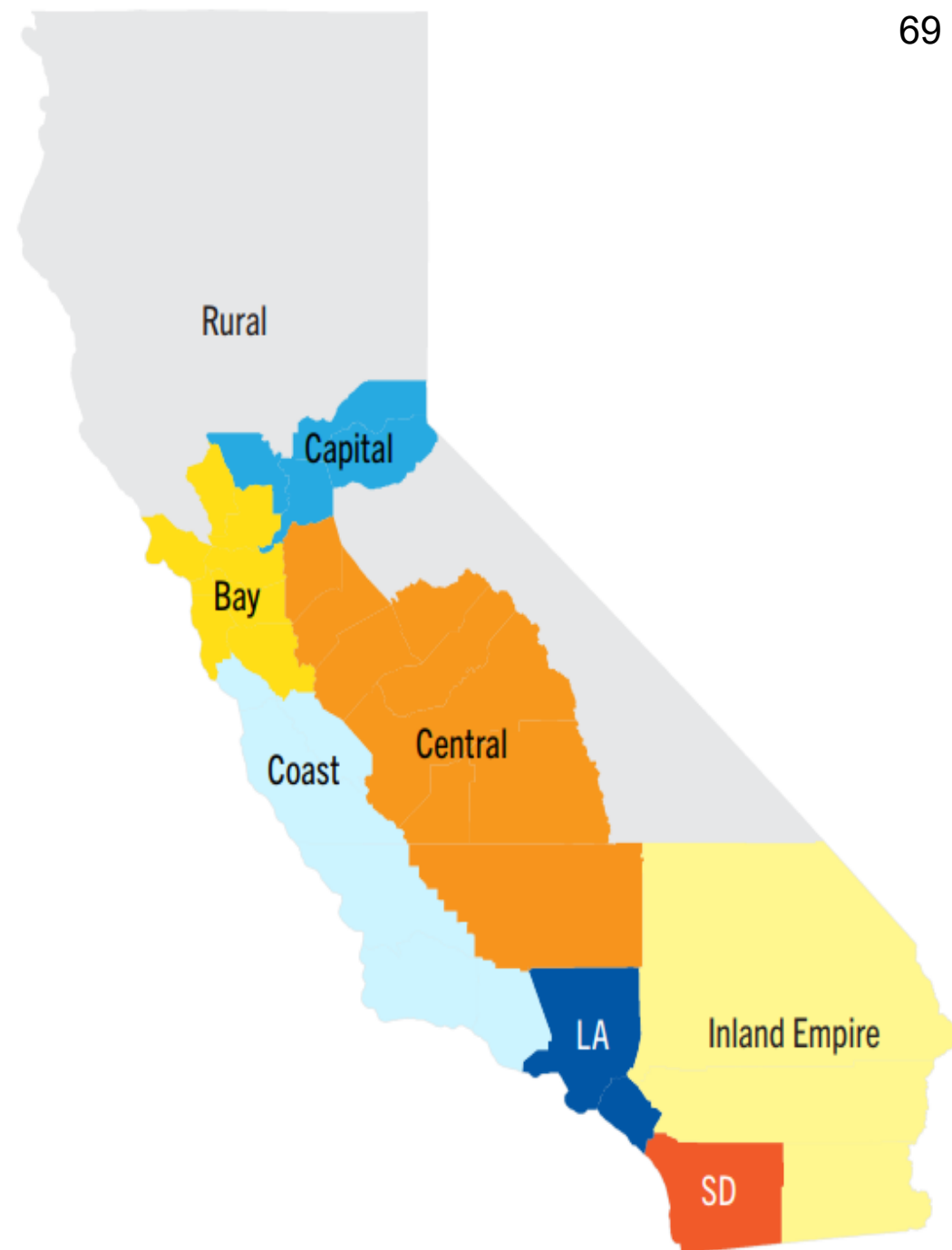
Geographic Information

42% of grants
were in socially
disadvantaged
areas

42 % of grant were
in Los Angeles
County

Grants were
issued in 44 of the
58 counties

Region	Permits	Grants
Los Angeles	63%	42%
Bay Area	15%	19%
San Diego	7%	10%
Inland Empire	5%	8%
Central Coast	6%	6%
Capital	2%	5%
Central Valley	1%	2%
Rural	1%	1%





Demographics

- **35% are low income**
 - 21% < 80% AMI
 - 14% < 50% AMI
- **55% are BIPOC**
 - 23% Hispanic/Latino
 - 20% Asian
 - 9% Black/African American
 - 2% Pacific Islander
 - 1% Indigenous

Race	Homeowners	Grantees
Hispanic	25%	23%
Asian	23%	20%
Black	5%	9%
Pacific Islander	<1%	2%
Indigenous	1%	1%

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY
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4

5 RESOLUTION NO. 23-13
6

7 RESOLUTION AUTHORIZING USE OF FUNDS FOR THE ACCESSORY DWELLING
8 UNIT PROGRAM
9

10 WHEREAS, the 2023-2024 Budget for the State of California ("Budget"), as amended
11 by Senate Bill No. 104, provided the California Housing Finance Agency ("Agency") with a one-
12 time appropriation of \$25,000,000 to be used towards financing of accessory dwelling units,
13

14 WHEREAS, the CalHFA Board of Directors ("Board") previously authorized the
15 implementation and use of funds pursuant to Resolution No. 19-14 and Resolution No. 21-17 for
16 the creation and implementation of innovative financing for accessory dwelling units ("ADU
17 Program"),
18

19 WHEREAS, mindful of and pursuant to US Treasury's Interim Final Rule's guidance,
20 CalHFA staff developed a program using previously allocated state funds to be marketed and
21 made through CalHFA, which helped finance the construction of accessory dwelling units or
22 junior accessory dwelling units, as described in the staff report presented to the Board at the
23 September 23rd, 2021 meeting,
24

25 WHEREAS, among the purposes of the ADU Program, Agency staff have identified the
26 need to (i) alleviate some of the hardships related to housing experience by certain low- and
27 moderate- income households; (ii) strengthen communities by increasing homeowner equity,
28 intergenerational wealth building opportunities and stabilizing a homeowner's financial situation
29 by creating an income producing accessory dwelling unit; (iii) stabilize neighborhoods having
30 experienced negative economic impacts, with a particular focus on serving socially disadvantaged
31 areas; (iv) create housing densities in existing neighborhoods; (v) provide affordable housing
32 opportunities to extended family members, the elderly, and persons and families of low- and
33 moderate- income; and (vi) create economic opportunities for eligible owners to maximize use of
34 their single-family residential properties,
35

36 WHEREAS, Health and Safety Code Section 51004 provides that the Agency may utilize
37 moneys which may be appropriated from time to time by the Legislature for effectuating its
38 purposes; and,
39

40 WHEREAS, Agency staff has determined that it is in the public interest for the Agency
41 to accept and use the funds allocated pursuant to the Budget Act of 2023, as amended by Senate
42 Bill No. 104, for the purposes stated therein, and to formally utilize the \$25,000,000 towards
43 financing of accessory dwelling units.
44

45 NOW, THEREFORE, BE IT RESOLVED by the Board, in consideration of the above,
46 as follows:
47

1 Section 1. Recitals. The Board hereby accepts that the above recitals are accurate and
2 have served, together with the Staff Report accompanying this Resolution and the additional
3 information the Board has been provided at the meeting, as the basis for the approvals and
4 directives set forth in this Resolution.

5
6 Section 2. Use of Funds. The Agency hereby acknowledges receipt of the funds
7 allocated pursuant to the Budget Act of 2023, as amended by Senate Bill No. 104, and authorizes
8 that such funds be used in accordance with the purposes stated therein.

9
10 Section 3. Authorization of ADU Program. The Board hereby approves of the ADU
11 Program, as more particularly described in the Staff Report, and authorizes the Executive Director
12 or her designee to implement said program by disbursing the Fund as soon as practicable, and to
13 execute all agreements, amendments and ancillary documents, and to make any changes to said
14 program reasonably necessary, to effectuate the intent for which the Fund has been allocated to
15 the Agency.
16
17

1 SECRETARY'S CERTIFICATE

2
3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further
5 certify that the foregoing is a full, true, and correct copy of Resolution No. 23-13 duly adopted at
6 a regular meeting of the Board of Directors of the California Housing Finance Agency duly called
7 and held on the 26th day of October 2023, at which meeting all said directors had due notice, a
8 quorum was present and that at said meeting said resolution was adopted by the following vote:
9

10 AYES:

11 NOES:

12 ABSTENTIONS:

13
14 ABSENT:

15
16
17 IN WITNESS WHEREOF, I have executed this certificate hereto this 26th day of
18 October 2023.
19
20
21

22 ATTEST:

23 _____
24 CLAIRE TAURIAINEN
25 Secretary of the Board of Directors of the
26 California Housing Finance Agency
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MEMORANDUM

To: Board of Directors

Date: October 26, 2023

From: Ellen Martin, Director of Homeownership Programs
California Housing Finance Agency

Subject: Agenda Item 8A – Single Family Loan Production Report

Attached please find the Single Family Loan Production report for the period ending September 2023.



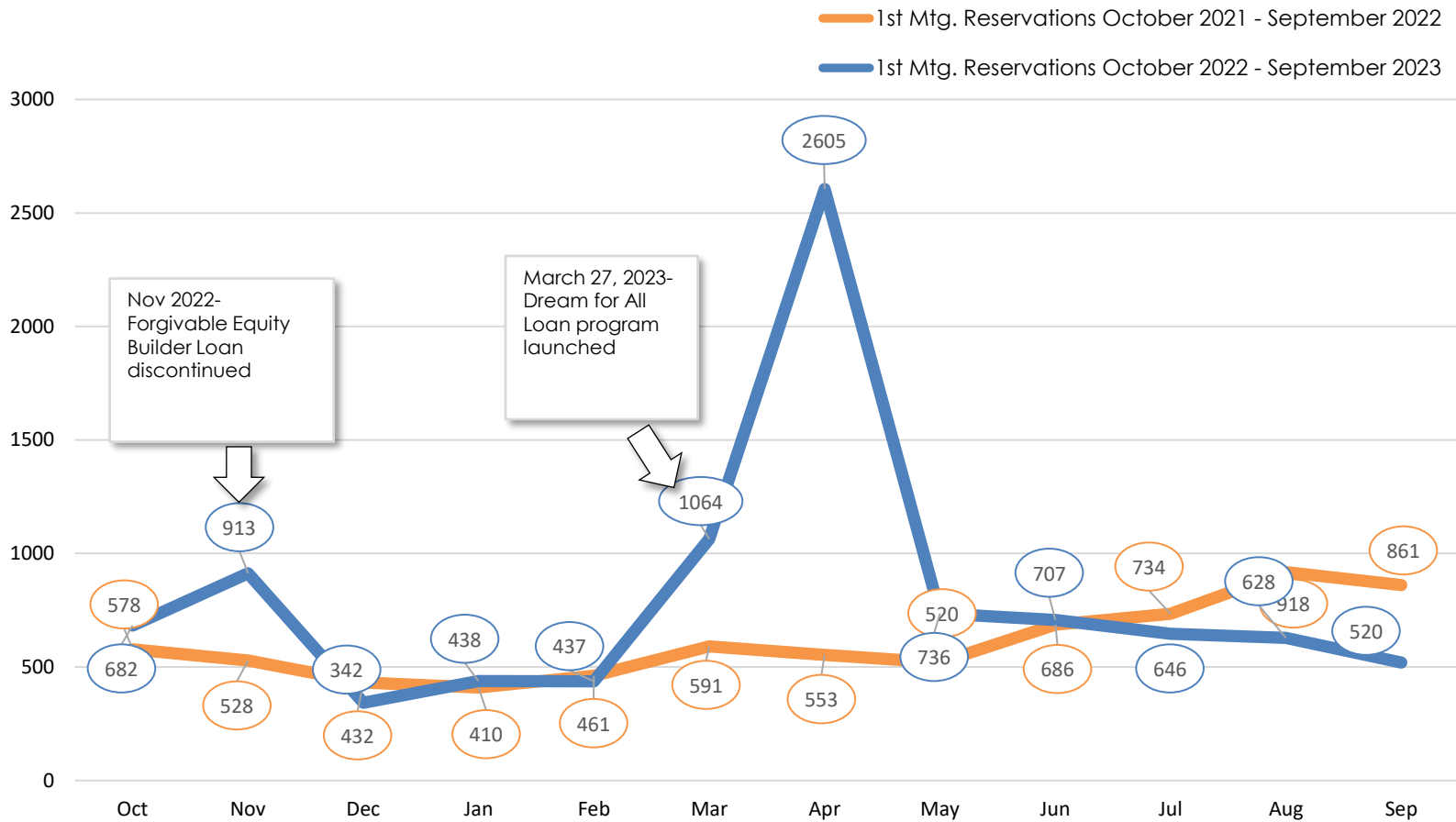
Single Family Loan Production Update

October 26, 2023

Ellen Martin
Director of Homeownership



Total Reservations October 2022- September 2023



FY 2023/24 (July 2023-Sept 2023) Totals:

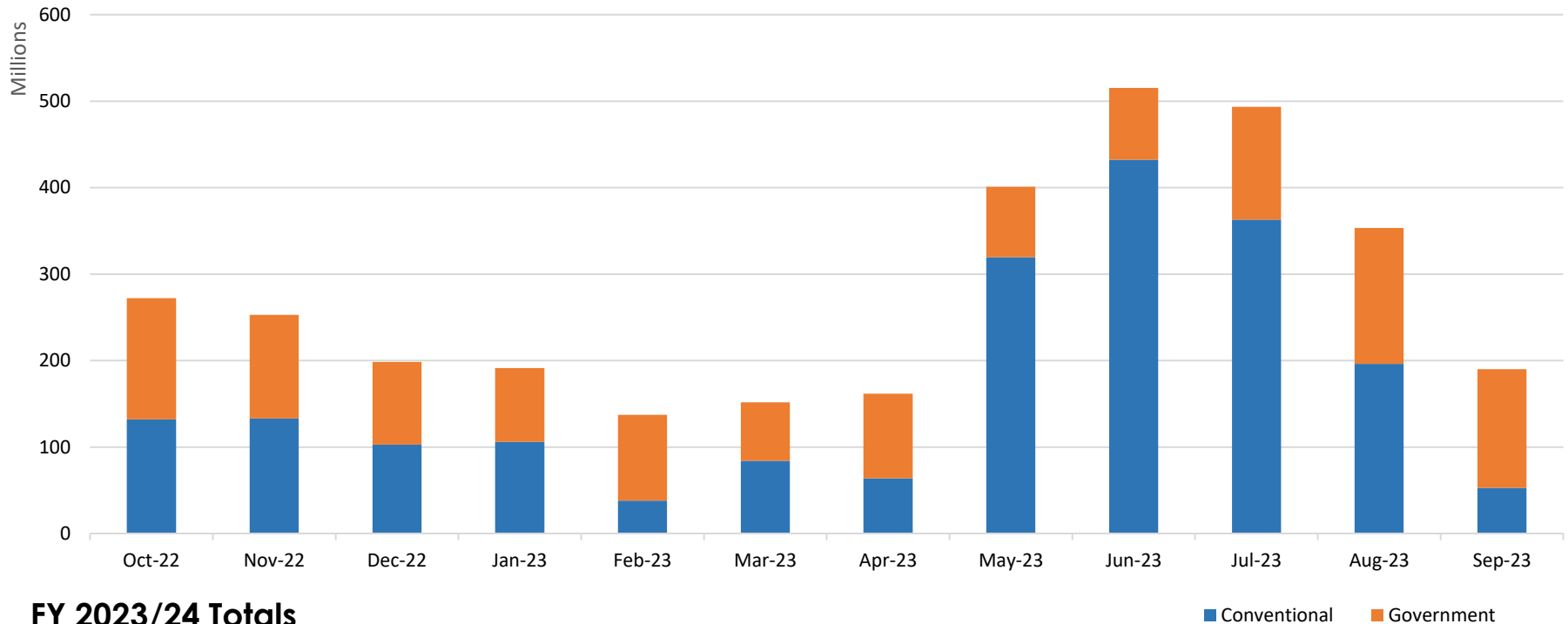
Conventional	704	40%
FHA	1075	60%
	<u>1779</u>	

Rolling 12 Month Totals:

October 2021 - September 2022 = 7272
October 2022 - September 2023 = 9718



October 2022-September 2023 Securitized



FY 2023/24 Totals Government (34%)

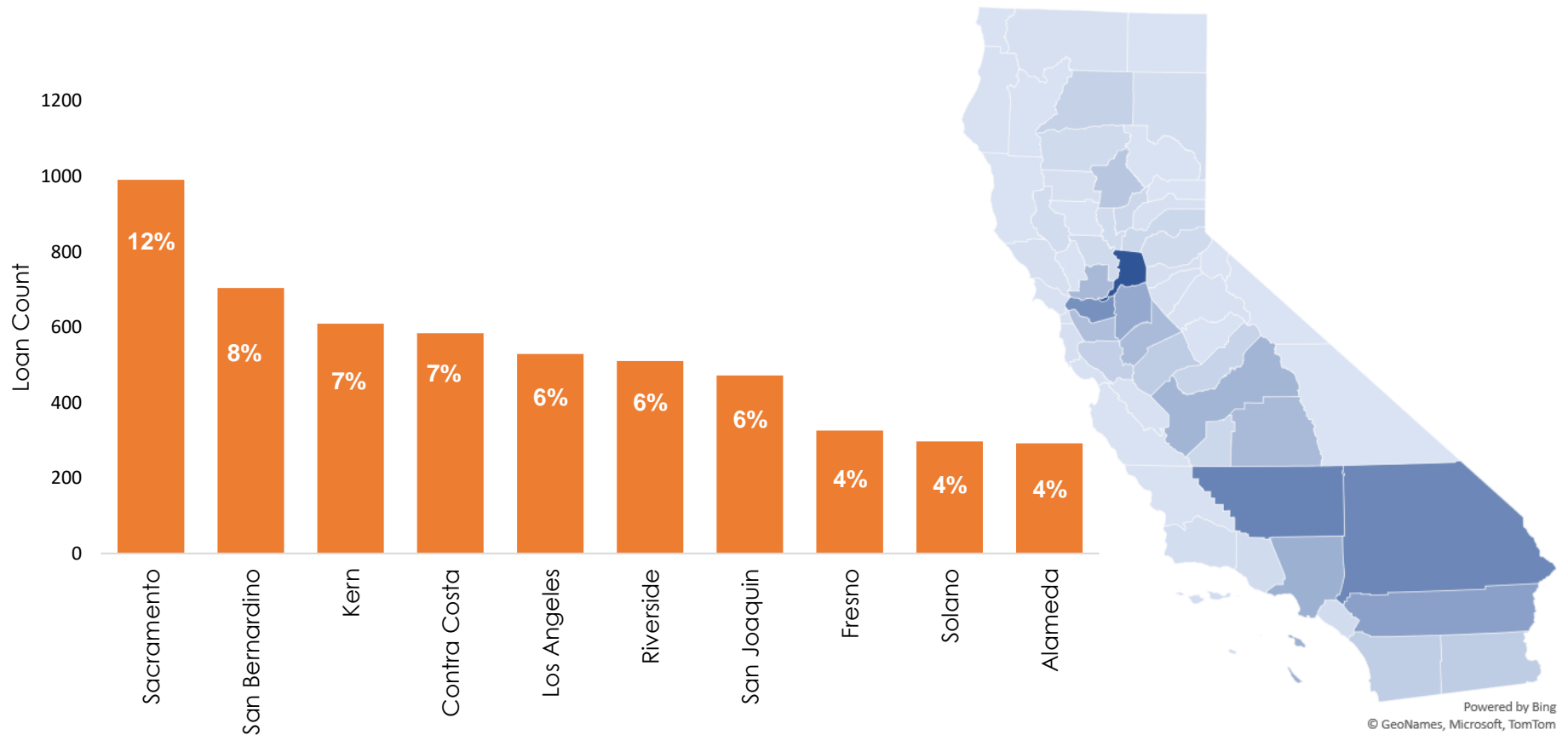
FHA with ZIP	73	\$27,097,629
FHA no ZIP	972	\$394,921,619
VA	8	\$2,842,025
USDA	3	\$850,503
	1056	\$425,711,776
Total	2421	\$1,037,954,179

Conventional (66%)

Conventional with ZIP	27	\$12,033,674
Conventional no ZIP	557	\$268,943,746
LI/VLI Conventional with ZIP	6	\$1,646,240
LI/VLI Conventional no ZIP	99	\$32,782,646
DFA Conventional	676	\$296,836,097
	1365	\$612,242,403



Where are our borrowers?



Note: Top 10 Counties in the past 12 months through Sept 2023



MEMORANDUM

To: Board of Directors **Date:** October 26, 2023

From: Rebecca Franklin, Director of Enterprise Risk Management and Compliance
California Housing Finance Agency

Subject: Agenda Item 8B – California Mortgage Relief Program Report

The CalHFA Homeowner Relief Corporation (CalHRC) launched the California Mortgage Relief Program in December 2021 to provide assistance to California homeowners that have struggled to make housing payments due to COVID-related economic disruption. So far, the program has provided funds to help more than 24,000 homeowners.

The program is continually doing data-driven analysis of the market and homeowner need and has made various expansions to the guidelines that offer new opportunities for Californians struggling with housing payments to get help. A significant expansion of the program, including the addition of Partial Claim and Loan Deferral assistance, came in February and, in mid-July, the program also reset its delinquency date to August.

Most recently, the program has been working with stakeholders, including U.S. Treasury, to explore an expansion to provide payment assistance and principal reduction for Property Assessed Clean Energy (PACE) loans, which are also called PACE assessments. As part of that exploration, a small, contained pilot program launched on October 6, 2023.

The pilot is made up of homeowners that have a PACE loan through HERO Program/Renovate America PACE loan(s) and submitted a “proof of claim” in the Renovate America bankruptcy case. Homeowners from that group have been invited to apply if they believe they meet the other eligibility requirements, which mirror the existing Mortgage Relief Program requirements almost exactly.

More information on the pilot and ensuing full PACE program expansion will be provided in upcoming meetings.

Successful Program Outcomes

Bolstered by a significant expansion of eligibility guidelines and assistance types earlier this year, the Mortgage Relief Program has produced the following metrics as of October 6, 2023:

- Processed 66,511 applications
- Served 24,422 households in California
- Disbursed \$608.2 million in assistance for California households
 - Approved 2,601 homeowners for partial claim/loan deferral assistance totaling \$75,904,046
- Approved an average assistance amount of \$24,903

Assist the Most Vulnerable



Outreach Results



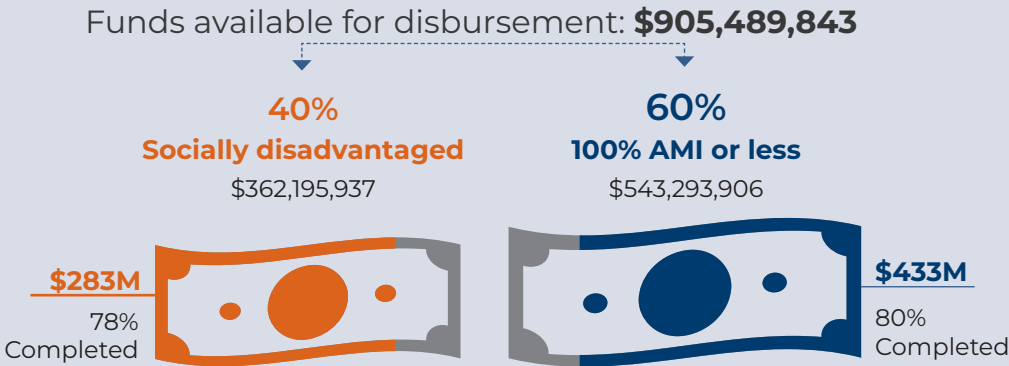
Expert Support ¹



Average Household Assistance



Prioritization of Historically Socially Disadvantaged Communities



	Disadvantaged	Not disadvantaged	% of disadvantaged
Applications	12,919	10,978	54%
Amount	\$282,717,403.90	\$298,617,557.02	49%

Streamlined Application Process and Reducing Mortgage Delinquency

	MRP	Amount	PC/LD	Amount	PTX	Amount
Approved	20,294	\$524,997,386	2,530	\$81,802,183	2,546	\$27,429,072
Withdrawn/returned	293	-	23	\$557,982	6	\$37,599
Total	20,587	\$524,997,386	2,553	\$82,360,165	2,552	\$27,466,671
On hold	254	\$7,235,008	23	\$690,466	6	\$30,745
In Process	4,689	\$103,772,740	1,782	\$62,120,877	966	\$11,235,081
Total	4,943	\$111,007,748	1,805	\$62,811,343	972	\$11,265,826
Declined	23,099	\$576,185,302	2,366	\$87,046,250	1,977	\$18,481,368
Canceled	12,343	\$305,280,325	1,134	\$37,706,370	1,688	\$17,859,497
Total	35,442	\$881,465,627	3,500	\$124,752,620	3,665	\$36,340,865
Total	60,972	\$1,517,470,761	7,858	\$269,924,128	7,189	\$75,073,362

Average Days from Submission to Determination

Disposition	MRP ⁴	PTX
Approved	45	45
Declined	16	15
Canceled	44	50
All determined applications	38	47

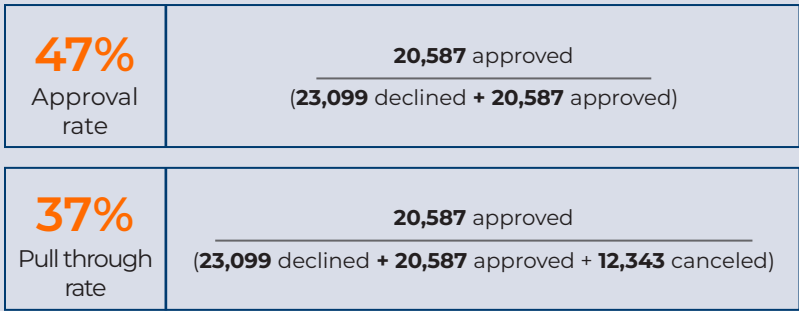
MRP Top 3 Decline Codes ⁴

- 7,864** Not delinquent before program start
- 3,815** Above AMI
- 2,934** Applicant was more than two months delinquent but not delinquent before program start date

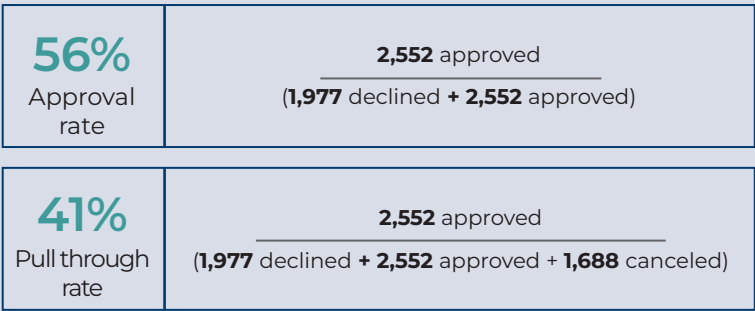
PTX Top 3 Decline Codes

- 1,017** Not delinquent before program start
- 368** Above AMI
- 313** No eligible taxes owed

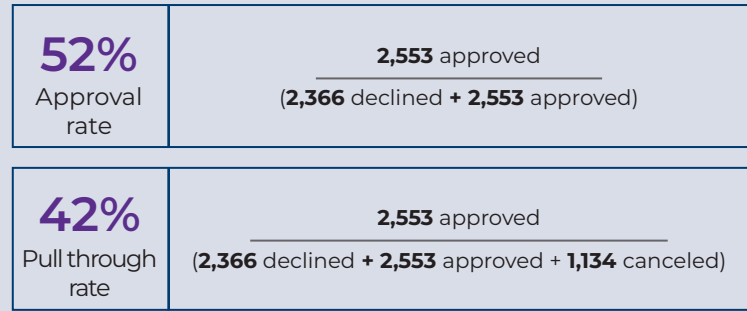
MRP Pull Through Rate



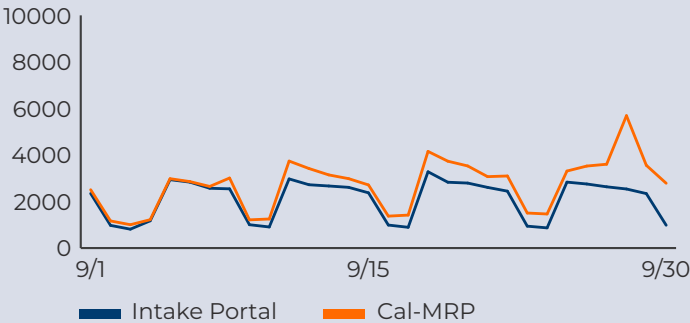
PTX Pull Through Rate



PC/LD Pull Through Rate



September Website Traffic



September Call Center Metrics



¹ Data will be updated quarterly
² PTX – Property Tax Program
³ Partial Claims / Loan Deferrals
⁴ MRP in this section is inclusive of Partial Claims/Loan Deferrals



MEMORANDUM

To: Board of Directors **Date:** October 26, 2023

From: Erwin Tam, Director of Financing
California Housing Finance Agency

Subject: Agenda Item 8C – Annual Investment Report

In 2022, the Board adopted an amended and restated Investment and Debt Management Policy (the "Policy"). Section XXIII of the Policy requires an annual report prepared by the Financing Division to the Board of Directors on the Agency's investments.

Due to delays in receipt of certain financial information on the Agency's allocated CalPERS and OPEB liability, CalHFA completed its audit for the fiscal year ending June 30, 2022, in October 2023.

Attached for your information is an investment report as of June 30, 2022, the end date for the most recent fiscal year audit. 82% of the Agency's funds are invested in the Surplus Money Investment Fund, held in the Pooled Money Investment Account administered by the State Treasurer. 14% of the Agency's funds are invested in Mortgage-backed securities insured by either the Federal National Mortgage Association (FNMA) or the Government National Mortgage Association (GNMA). The remaining 4% of the funds are invested in commercial paper, money market funds, or in a collateralized account. These investments are eligible investments in the Policy (Sections XI and XII). This report and its supporting tables detail how CalHFA moneys continue to be invested in accordance with the Policy.

Annual Investment Report – June 30, 2022

Summary

As of June 30, 2022, CalHFA had \$1.7 billion of cash, cash equivalents, and investments

(together “investments”), see Table 1 on page 3. These assets include restricted investments, such as CalHFA's emergency reserve fund, CalHFA's hedge reserve account, mortgage impound accounts, assets pledged to secure bondholders through CalHFA's bond indentures, and funds administered by CalHFA for state mandated programs.

The portfolio is still heavily concentrated in the State Investment Pool (82% of the total), which means the investment earnings are likely to remain low (Table 1). The State Investment Pool's year-to-date yield on June 30, 2022 was 0.371%.

Securities

Tables 2-4 provide additional information about the \$236.1 million (fair market value) of securities held by the Agency, which are Fannie Mae and Ginnie Mae securities backed by loans originated for our single family and multifamily programs.

Money Market and Bank Deposits

The Agency invests funds under its Bond and Non-Bond accounts in Government Obligation and U.S. Treasury Money Market Funds (“MMF”). The funds in the Bond accounts are held by the Bond Trustee, and for the Non-Bond Accounts the funds are held by U.S Bank Trust. The total amount held as of June 30, 2022, in MMF is 8.4 million (Table 1). The agency also holds Non-Bond funds at U.S Bank N.A in deposit in its collateralized accounts.

The portfolio is still heavily concentrated in the State Investment Pool (82% of the total), which means the investment earnings are likely to remain low (Table 1). The State Investment Pool's year-to-date yield on June 30, 2022 was 0.371%.

CalHFA Investments Summary

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Table 1: Amount Invested
(\$ in millions)

<u>Investment Type</u>	<u>Bond Indentures</u>	<u>CalHFA G-O</u>	<u>Admin</u>	<u>Total</u>
State Investment Pool	91.2	369.7	903.6	1364.5
Securities (market value)	10.8	225.3	0.0	236.1
U.S. Bank Open CP	0.0	0.0	0.0	0.0
Money Market Funds	5.4	3.0	0.0	8.4
Cash	0.2	42.0	11.5	53.7
Totals	\$ 107.6	\$ 640.0	\$ 915.1	\$ 1,662.7

Table 2: Investments in Securities by Type
June 30, 2022

<u>Type of Investment</u>	<u>Par Value</u>				<u>Book Value</u>	<u>Market Value</u>
	<u>Program</u>	<u>Reserve</u>	<u>Unencumbered</u>	<u>Total</u>		
GNMA Securities	\$ -	\$ 2,487,764	\$ 162,583,422	\$ 165,071,187	\$ 165,071,187	\$ 149,289,564
FNMA Securities	\$ -	\$ 8,632,353	\$ 81,852,786	\$ 90,485,139	\$ 90,485,139	\$ 86,790,462
Totals	\$ -	\$ 11,120,117	\$ 244,436,208	\$ 255,556,326	\$ 255,556,326	\$ 236,080,026

Table 3: Securities Detail by Type
June 30, 2022

<u>Type of Investment</u>	<u>Par Value</u>	<u>Market Value</u>	<u>Yearly Interest</u>	<u>Dollar Days</u>	<u>Weighted Avg Coupon</u>	<u>Weighted Avg Remaning Mat</u>
GNMA Securities	\$ 165,071,187	\$ 149,289,564	\$ 4,405,178		2.67%	
FNMA Securities	\$ 90,485,139	\$ 86,790,462	\$ 3,151,654	\$ 714,835,141,815	3.48%	21.63
Totals	\$ 255,556,326	\$ 236,080,026	\$ 7,556,832	\$ 714,835,141,815		

Table 4: Investments in Securities by Account
June 30, 2022

Indenture or Account Description	Par Value Program Account Assets	Par Value Reserve Account Assets	Par Value Unencumbered Assets	Total Par Value	Market Value
Home Mortgage Revenue Bonds	\$ -	\$ 11,120,117	\$ -	\$ 11,120,117	\$ 10,780,107
Housing Assistance Trust	\$ -	\$ -	\$ 89,612,164	\$ 89,612,164	\$ 86,795,956
Federal Home Loan Bank	\$ -	\$ -	\$ 142,324,043	\$ 142,324,043	\$ 126,280,977
Emergency Reserve Account	\$ -	\$ -	\$ 12,500,000	\$ 12,500,000	\$ 12,222,987
Totals	\$ -	\$ 11,120,117	\$ 244,436,208	\$ 255,556,326	\$ 236,080,026



MEMORANDUM

To: Board of Directors **Date:** October 26, 2023

From: Francesc Martí, Director of Policy, Strategy, and Legislative Affairs
California Housing Finance Agency

Subject: Agenda Item 8D – Legislative End of Session Report

On October 14th, Governor Newsom completed the process of signing and vetoing bills for 2023, marking the end of this year's legislative calendar. As this is the first year of a two-year legislative cycle, bills that weren't passed this year will have another opportunity beginning in January 2024.

In line with trends from previous years, 2023 witnessed the enactment of pivotal housing legislation. On October 11th, the Governor signed 56 bills into law that incentivize and reduce barriers to housing and support the development of more affordable homes. Notably, these include bills to extend and expand SB 35 housing streamlining, for the first time including the Coastal Area (SB 423), facilitate by-right affordable housing on land owned by religious entities and nonprofit colleges (SB 4), offer CEQA exemptions for affordable infill projects that meet prevailing wage standards (AB 1449), or allow for local laws that permit ADUs to be sold separately (AB 1033).

In addition, SB 326 and AB 531 collectively transform California's mental health and substance use disorder treatment systems for the first time in decades and will be on the ballot next year. Additionally, a constitutional amendment proposing a reduced voter threshold for local bond measures (ACA 1) will also be going before voters next year. Other noteworthy legislation focused on state density bonus law, tenant protections, enforcement of state housing regulations, and parking reforms.

Of special relevance to CalHFA are the following bills, which have received the Governor's signature:

- **SB 469 (Allen)** Eliminates Article 34 voter threshold requirements for state affordable housing projects, including CalHFA's.
- **AB 519 (Schiavo)** Requires HCD, CalHFA and TCAC/CDLAC to convene a working group to develop a common financing application and review process.
- **AB 932 (Ting)** Requires CalHFA to conduct an evaluation of the ADU Grant Program by January 1, 2025.
- **AB 1508 (Ramos)** Incorporates an analysis of homeownership landscape and DPA policies into HCD's Statewide Housing Plan, in consultation with CalHFA.

On the next page, you will find a more comprehensive list of housing bills of interest that were either signed or vetoed by Governor Newsom.

CHAPTERED BILLS

Accessory Dwelling Units

AB 671 (Ward) CalHOME Program: ADUs

Current Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 746, Statutes of 2023

Sponsor: Community Land Trust Network

Summary: Under the CalHome Program, funds may be used to enable low- and very low income households to become or remain homeowners, and to provide disaster relief assistance to households at or below 120% of that area median income. Current law also authorizes the Department of Housing and Community Development, to make grants to local agencies or nonprofit corporations to construct accessory dwelling units and to repair, reconstruct, or rehabilitate, in whole or in part, accessory dwelling units and junior accessory dwelling units. This bill would specify that for home ownership development projects that include construction of accessory dwelling units or junior accessory dwelling units, neither the CalHome Program nor any administrative rule or guideline implementing the CalHome Program precludes those dwelling units from being separately conveyed to separate lower income households on separate parcels created pursuant to specified law.

AB 932 (Ting) ADUs: ADU Grant Program: reports

Current Status: 9/8/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 169, Statutes of 2023.

Summary: Under existing law, the California Housing Finance Agency (CalHFA) administers the Accessory Dwelling Unit Program, for the purpose of assisting homeowners in qualifying for loans to construct accessory dwelling units and junior accessory dwelling units on the homeowners' property and increasing access to capital for homeowners interested in building accessory dwelling units. Existing law requires the CalHFA to convene a working group to develop recommendations for the program, as specified. This bill would require CalHFA to evaluate the program and report CalHFA's findings to the Legislature by January 1, 2025.

AB 976 (Ting) ADUs: owner-occupancy requirements

Current Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 751, Statutes of 2023

Sponsor: California YIMBY, Casita Coalition

Summary: Current law requires a local ordinance to require an accessory dwelling unit to be either attached to, or located within, the proposed or existing primary dwelling, as specified, or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling. Current law authorizes a local agency to require an accessory dwelling unit to be used for rentals of terms longer

than 30 days. This bill, instead, would authorize a local agency to require terms that are 30 days or longer.

AB 1033 (Ting) ADUs: local ordinances: separate sale or conveyance

Current Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 752, Statutes of 2023

Sponsor: Bay Area Council, Casita Coalition

Summary: The Planning and Zoning Law authorizes a local agency, by ordinance or ministerial approval, to provide for the creation of accessory dwelling units in areas zoned for residential use, as specified. Current law requires the ordinance to include specified standards, including prohibiting the accessory dwelling unit from being sold or otherwise conveyed separate from the primary residence, except as provided by a specified law. Current law, notwithstanding the prohibition described above, requires a local agency to allow an accessory dwelling unit to be sold or conveyed separately from the primary residence to a qualified buyer if certain conditions are met, including that the property was built or developed by a qualified nonprofit corporation and that the property is held pursuant to a recorded tenancy in common agreement that meets specified requirements. This bill would, in addition, authorize a local agency to adopt a local ordinance to allow the separate conveyance of the primary dwelling unit and accessory dwelling unit or units as condominiums, as specified, and would make conforming changes.

AB 1332 (Carrillo) ADUs: preapproved plans

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 759, Statutes of 2023

Sponsor: Casita Coalition

Summary: The Planning and Zoning Law authorizes a local agency, by ordinance or ministerial approval, to provide for the creation of accessory dwelling units in areas zoned for residential use, as specified. Current law authorizes a local agency to impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, landscape, architectural review, and maximum size of a unit. This bill would require each local agency, by January 1, 2025, to develop a program for the preapproval of accessory dwelling unit plans, whereby the local agency accepts accessory dwelling unit plan submissions for preapproval and approves or denies the preapproval applications, as specified. The bill would authorize a local agency to charge a fee to an applicant for the preapproval of an accessory dwelling unit plan, as specified. The bill would require the local agency to post preapproved accessory dwelling unit plans and the contact information of the applicant on the local agency's internet website. The bill would require a local agency to either approve or deny an application for a permit for a proposed accessory dwelling unit within 30 days that utilizes either an accessory dwelling unit plan preapproved within the current triennial California Building Standards Code rulemaking cycle or a plan that is identical to a plan used in an application for a detached accessory dwelling unit approved by the local

agency within the current triennial California Building Standards Code rulemaking cycle.

Land Use and Streamlining

AB 323 (Holden) Density Bonus Law: purchase of density bonus units by nonprofit housing organizations: civil actions

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 738, Statutes of 2023

Sponsor: California Association of Realtors

Summary: Existing law, commonly referred to as the Density Bonus Law, requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus and other incentives or concessions, as specified, if the developer agrees to construct, among other options, specified percentages of units for moderate, lower, or very low-income households and meets other requirements. This bill would instead require the developer and the city or county to ensure that the for-sale unit that qualified the developer for the award of the density bonus is (1) initially sold to and occupied by a person or family of the required income, or (2) if the unit is not purchased by an income-qualified person or family within 180 days after the issuance of the certificate of occupancy, the qualified nonprofit housing organization that is receiving the above-described welfare exemption meets specified requirements, including having a determination letter from the Internal Revenue Service affirming its tax-exempt status, as specified, being based in California, and the primary activity of the nonprofit corporation being the development and preservation of affordable home ownership housing in California that incorporates within their contracts for initial purchase a repurchase option that requires a subsequent purchaser that desires to sell or convey the property to first offer the nonprofit corporation the opportunity to repurchase the property pursuant to an equity sharing agreement or a specified recorded contract that includes an affordability restriction. By imposing these requirements on local agencies with respect to density bonuses, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 821 (Grayson) Planning and zoning: general plan: zoning ordinance: conflicts

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 748, Statutes of 2023

Sponsor: San Francisco Bay Area Planning and Urban Research Association

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of certain land outside its boundaries. Current law requires that county or city zoning ordinances be consistent with the general plan of the county or city by January 1, 1974. Current law authorizes any resident or property owner to bring an action or proceeding in the superior court to enforce compliance with these provisions within 90 days of the enactment of any new zoning ordinance or the amendment of any existing zoning ordinance. Current law requires a zoning ordinance to be amended within a

reasonable time so that it is consistent with the general plan in the event that the ordinance becomes inconsistent with the plan by reason of amendment to the plan. This bill would additionally authorize any resident or property owner to bring an action or proceeding in the superior court to enforce compliance with these provisions within 90 days of the failure of a local agency to amend a zoning ordinance within a reasonable time of the zoning ordinance becoming inconsistent with the general plan due to amendment to the plan or to any element of the plan.

AB 835 (Lee) State Fire Marshal: building standards: single-exit, single stairway apartment houses: report

Status: 10/7/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 345, Statutes of 2023

Sponsor: California YIMBY, East Bay for Everyone, Livable Communities Initiative

Summary: Current law requires the California Building Standards Commission to approve and adopt building standards and to codify those standards in the California Building Standards Code. Current law requires the State Fire Marshal to research and develop and authorizes the State Fire Marshal to propose to the California Building Standards Commission, mandatory building standards for fire resistance based on occupancy risk categories in very high, high, and moderate California fire severity zones, as provided. This bill would require the State Fire Marshal to research standards for single-exit, single stairway apartment houses, with more than 2 dwelling units, in buildings above 3 stories and provide a report to specified legislative committees and to the California Building Standards Commission by January 1, 2026. The bill would require this report to address fire and life safety or emergency activities in single-exit, single stairway apartment houses, with more than 2 dwelling units, in buildings above 3 stories. The bill would repeal the above-mentioned provisions on January 1, 2028.

AB 1287 (Alvarez) Density Bonus Law: maximum allowable residential density: additional density bonus and incentives or concessions

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 755, Statutes of 2023

Sponsor: Bay Area Council, San Diego Housing Commission

Summary: Current law defines the term “density bonus” for specified purposes to mean a density increase over the otherwise maximum allowable gross residential density as of the date of the application, as described. Current law defines the term “maximum allowable residential density” for these purposes to mean the maximum number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, the maximum number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Current law provides under that definition that if the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan or specific plan, the greater density prevails. This bill would instead define “maximum allowable residential density” to mean the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the

general plan, or, if a range of density is permitted, the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. The bill would also remove from that definition the provision stating that the greater density prevails if the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan or specific plan. This bill would require a city, county, or city and county to grant an additional density bonus, calculated as specified, when (1) an applicant proposes to construct a housing development that conforms to specified requirements, (2) the applicant agrees to include additional rental or for-sale units affordable to very low income households or moderate-income households, as specified, and (3) the housing development conforms to specified requirements and provides 24% of the total units to lower income households, conforms to specified requirements and provides 15% of the total units to very low income households, or conforms to specified requirements and provides 44% of the total units to moderate-income units. The bill would require a city, county, or city and county to grant four incentives or concessions for a project that includes at least 16% of the units for very low income households or at least 45% for persons and families of moderate income in a development in which the units are for sale. The bill would increase the incentives or concessions for a project in which 100% of all units are for lower income households, as specified, from 4 to 5.

SB 713 (Padilla) Planning and zoning: density bonuses: development standard

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 784, Statutes of 2023

Sponsor: San Diego Housing Federation

Summary: The Density Bonus Law requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus, waivers or reductions of development standards, parking ratios, and other incentives or concessions, as specified, if the developer agrees to construct certain types of housing. Current law prohibits a city, county, or city and county from applying any development standard that will have the effect of physically precluding the construction of a development meeting specified criteria at the densities or with the concessions or incentives permitted by the Density Bonus Law. Current law defines "development standard" as including a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, a minimum lot area per unit requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation. This bill would specify that "development standard" for these purposes includes these standards adopted by the local government or enacted by the local government's electorate exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the local government. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

AB 516 (Ramos) Mitigation Fee Act: fees for improvements: reports and audits

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 741, Statutes of 2023

Summary: The Mitigation Fee Act, imposes certain requirements on a local agency that imposes a fee as a condition of approval of a development project that is imposed to provide for an improvement to be constructed to serve the development project, or a fee for public improvements, as specified. In this regard, the Mitigation Fee Act requires the local agency to deposit the fee in a separate capital facilities account or fund, and to make certain information about the account or fund public annually, as specified. The Mitigation Fee Act requires that information to include an identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as specified. The Mitigation Fee Act also requires that information to include the amount of refunds made to the owners of the lots or units of the development project, as specified. This bill would require the report to include an identification of each public improvement identified in a previous report, whether construction began on the approximate date noted in the previous report, the reason for the delay, if any, and a revised approximate date that the local agency will commence construction, if applicable. The bill would also require the report to include the number of persons or entities identified to receive refunds.

AB 572 (Haney) Common interest developments: imposition of assessments

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 745, Statutes of 2023

Sponsor: Nonprofit Housing Association of Northern California, San Francisco Housing Development Corporation

Summary: The Davis-Stirling Common Interest Development Act defines and regulates common interest developments, including the establishment and imposition of assessments. Current law limits increases in regular assessments and the aggregate of special assessments that the board may impose in any fiscal year without the approval of a majority of a quorum of members, as specified. This bill would, with certain exceptions, prohibit an association that records its original declaration on or after January 1, 2025, from imposing an increase of a regular assessment on the owner of a deed-restricted affordable housing unit that is more than 5% plus the percentage change in the cost of living, not to exceed 10% greater than the preceding regular assessment for the association's preceding fiscal year.

AB 812 (Boerner) Housing development approvals: reserving affordable units in or near a cultural district for artists

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 747, Statutes of 2023

Sponsor: California Arts Advocates

Summary: Current law requires the Arts Council to establish criteria and guidelines for certification of state-designated cultural districts and collaborate with other public

agencies and private entities to maximize the benefits of state-designated cultural districts. The Planning and Zoning Law imposes various requirements on cities and counties with regard to their review and approval of certain housing developments. This bill would authorize a city or county that requires, as a condition of approval, that a certain percentage of units of a residential development be affordable housing, as specified, to reserve for artists up to 10% of those required affordable housing units, except as provided, if certain conditions are met, including that the units reserved are located within or within one-half mile from a state-designated cultural district or within a locally designated cultural district, as specified.

AB 911 (Schiavo) Unlawfully restrictive covenants: affordable housing

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 750, Statutes of 2023

Sponsor: San Francisco Bay Area Planning and Urban Research Association

Summary: Current law permits a person who holds or is acquiring an ownership interest of record in property that the person believes is the subject of an unlawfully restrictive covenant based on, among other things, the number of persons or families who may reside on the property, to record a restrictive covenant modification. Current law entitles the owner of an affordable housing development to establish that an existing restrictive covenant is unenforceable by submitting a restrictive covenant modification document that modifies or removes any existing restrictive covenant language. Before recording the modification document, current law requires the owner to submit to the county recorder a copy of the original restrictive covenant and any documents the owner believes necessary to establish that the property qualifies as an affordable housing development for purposes of these provisions. As part of this process, current law requires the county counsel to determine, among other things, if the property qualifies as an affordable housing development and if a modification document may be recorded. If the county counsel has authorized the county recorder to record the modification document, that authorization is required to be noted on the face of the modification or on a cover sheet affixed to it. This bill would require the county recorder to notify the owner or submitting party of the county counsel's determination without delay, so that notice may be given by the owner regarding the authorization to record the modification document. The bill would permit the owner, upon receipt of that notification, to mail copies of the modification documents and related materials by certified mail to anyone who the owner knows has an interest in the property or the restrictive covenant.

AB 281 (Grayson) Planning and zoning: housing: post entitlement phase permits

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 735, Statutes of 2023

Sponsor: Housing Action Coalition

Summary: Existing law, which is part of the Planning and Zoning Law, requires a local agency to compile a list of information needed to approve or deny a post entitlement phase permit, to post an example of a complete, approved application and an

example of a complete set of post entitlement phase permits for at least 5 types of housing development projects in the jurisdiction, as specified, and to make those items available to all applicants for these permits no later than January 1, 2024. Existing law establishes time limits for completing reviews regarding whether an application for a post entitlement phase permit is complete and compliant and whether to approve or deny an application, as specified, and makes any failure to meet these time limits a violation of specified law. Existing law defines various terms for these purposes, including "local agency" to mean a city, county, or city and county, and "post entitlement phase permit," among other things, to exclude a permit required and issued by a special district. This bill would require a special district that receives an application from a housing development project for service from a special district or an application from a housing development project for a post entitlement phase permit, as specified, to provide written notice to the applicant of next steps in the review process, including, but not limited to, any additional information that may be required to begin to review the application for service or approval. The bill would require the special district to provide this notice within 30 business days of receipt of the application for a housing development with 25 units or fewer, and within 60 business days for a housing development with 26 units or more. The bill would define various terms for these purposes. By imposing additional duties on special districts, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 356 (Mathis) CEQA: aesthetic impacts

Status: 7/27/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 116, Statutes of 2023

Summary: CEQA requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. Current law, until January 1, 2024, specifies that, except as provided, a lead agency is not required to evaluate the aesthetic effects of a project and aesthetic effects are not considered significant effects on the environment if the project involves the refurbishment, conversion, repurposing, or replacement of an existing building that meets certain requirements. This bill would extend the operation of the above provision to January 1, 2029. The bill would require the lead agency to file a notice with the Office of Planning and Research and the county clerk of the county in which the project is located if the lead agency determines that it is not required to evaluate the aesthetic effects of a project and determines to approve or carry out that project. By imposing additional duties on lead agencies, the bill would impose a state-mandated local program.

AB 519 (Schiavo) Affordable Housing Finance Workgroup: affordable housing: consolidated application and coordinated review process

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 742, Statutes of 2023

Summary: Current law establishes the Department of Housing and Community Development and sets forth its powers and duties, including promoting the development of affordable housing in the state. Current law creates the California Housing Finance Agency within the department and authorizes the agency to make loans to finance affordable housing. Current law establishes the California Tax Credit Allocation Committee to allocate specified federal low-income housing tax credits. Current law also establishes the California Debt Limit Allocation Committee for the purpose of implementing the volume limit for the state on private activity bonds established pursuant to federal law. Under existing law, the committee's duties include annually determining a state ceiling on the aggregate amount of private activity bonds that may be issued, and allocating that amount among state and local agencies. This bill would require specified reviewing entities, as defined as the above-described entities, to jointly convene an Affordable Housing Finance Workgroup to develop recommendations for state-administered programs to utilize a consolidated application for multifamily affordable rental housing developers to use to obtain grants, soft loans, low-income housing tax credits, tax exempt bonds, federal funds, as applicable, and other types of subsidies for building affordable housing, and develop a coordinated review process for the application, as described. The bill would require the workgroup to include representatives of the reviewing entities, nonprofit and for-profit affordable housing developers, and local and tribal governments. The bill would require the workgroup to identify specified information, including any state-administered program that may utilize the consolidated application and coordinated review process, and a timeline for developing a single consolidated application and coordinated review process.

AB 785 (Santiago) CEQA: exemption: City of Los Angeles: County of Los Angeles: affordable housing and transitional housing

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 726, Statutes of 2023

Sponsor: Los Angeles Mayor Karen Bass

Summary: Current law, until January 1, 2025, exempts from the requirements of the California Environmental Quality Act (CEQA) certain activities approved or carried out by the City of Los Angeles and other eligible public agencies, as defined, related to supportive housing and emergency shelters, as defined, in the City of Los Angeles. Under existing law, this exemption requires the lead agency, if it determines that an activity is not subject to CEQA and approves or carries out that activity, to file a notice of exemption with the Office of Planning and Research and the county clerk for the County of Los Angeles. This bill would instead exempt from the requirements of CEQA certain activities undertaken by the City of Los Angeles and other eligible public agencies related to affordable housing, low barrier navigation centers, supportive

housing, and transitional housing for youth and young adults, as those terms would be defined by the bill, within the City of Los Angeles and certain activities undertaken by the County of Los Angeles related to affordable housing, low barrier navigation centers, supportive housing, and transitional housing for youth and young adults within the unincorporated areas of the County of Los Angeles and parcels owned by the County of Los Angeles within the City of Los Angeles. The bill would define the Los Angeles County Development Authority as an eligible public agency. The bill would broaden the definition of “supportive housing.” The bill would also change the term “emergency shelter” to “low barrier navigation center” and broaden the definition of that term. The bill would require the lead agency to ensure that those projects meet certain labor requirements in order for the exemption to apply. The bill would repeal these provisions on January 1, 2030.

AB 1114 (Haney) Planning and zoning: housing development projects: post entitlement phase permits

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 753, Statutes of 2023

Sponsor: Bay Area Council, Housing Action Coalition, Mayor of City & County of San Francisco London Breed

Summary: Current law relating to housing development approval requires a local agency to compile a list of information needed to approve or deny a postentitlement phase permit, to post an example of a complete, approved application and an example of a complete set of postentitlement phase permits for at least 5 types of housing development projects in the jurisdiction, as specified, and to make those items available to all applicants for these permits no later than January 1, 2024. Current law defines “postentitlement phase permit” to include all nondiscretionary permits and reviews filed after the entitlement process has been completed that are required or issued by the local agency to begin construction of a development that is intended to be at least 2/3 residential, excluding discretionary and ministerial planning permits, entitlements, and certain other permits and reviews. These permits include, but are not limited to, building permits and all interdepartmental review required for the issuance of a building permit, permits for minor or standard off-site improvements, permits for demolition, and permits for minor or standard excavation and grading. This bill would modify the definition of “postentitlement phase permit” to also include all building permits and other permits issued under the California Building Standards Code or any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary.

AB 1307 (Wicks) CEQA: noise impact: residential properties

Status: 9/7/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 160, Statutes of 2023

Sponsor: California Housing Partnership Corporation, California Housing Consortium

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant

effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would specify that the effects of noise generated by project occupants and their guests on human beings is not a significant effect on the environment for residential projects for purposes of CEQA. This bill would specify that institutions of public higher education, in an EIR for a residential or mixed-use housing project, are not required to consider alternatives to the location of the proposed project if certain requirements are met. This bill would declare that it is to take effect immediately as an urgency statute.

AB 1449 (Alvarez) Affordable housing: CEQA: exemption

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 761, Statutes of 2023

Sponsor: California Housing Partnership Corporation, California Housing Consortium

Summary: Would, until January 1, 2033, exempt from the California Environmental Quality Act (CEQA) certain actions taken by a public agency related to affordable housing projects, as defined, if certain requirements are met. The bill would require the lead agency, if the lead agency determines an action related to an affordable housing project is exempt from CEQA under this provision and approves or carries out the project, to file a notice of exemption with the Office of Planning and Research and the county clerk of each county in which the project is located. By increasing the duties of a lead agency, this bill would impose a state-mandated local program.

AB 1490 (Lee) Affordable housing development projects: adaptive reuse

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 764, Statutes of 2023

Sponsor: AIDS Healthcare Foundation

Summary: Under this bill, a housing development that is, among other requirements, an extremely affordable adaptive reuse project on an infill parcel that is not located on or adjoined to a site where more than 1/3 of the square footage on the site is dedicated to industrial use, as specified, would be an allowable use. The bill would authorize a local agency to impose objective design review standards, except as specified. The bill would authorize a local agency to deny the project if it is proposed to be located on a site or adjoined to any site where any of the square footage on the site is dedicated to industrial use and the local agency makes written findings that approving the development would have an adverse effect on public health and safety. The bill would provide that for purposes of the Housing Accountability Act, a proposed housing development project is consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if the housing development project is consistent with the standards specified in these provisions. The bill would require a local agency to determine whether the proposed development meets those standards within specified timeframes. The bill would define an "extremely affordable adaptive reuse project" for these purposes to mean a multifamily housing development project that involves retrofitting and repurposing of a

residential or commercial building that currently allows temporary dwelling or occupancy, and that meets specified affordability requirements, including that 100% of the units be dedicated to lower income households, 50% of which shall be dedicated to very low-income households, as specified. Because the bill would require local officials to provide a higher level of service, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

SB 4 (Wiener) Planning and zoning: housing development: higher education institutions and religious institutions

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 771, Statutes of 2023

Sponsor: California YIMBY, Non-Profit Housing Association of Northern California

Summary: Current law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, establishes the California Tax Credit Allocation Committee within the Department of Housing and Community Development. Current law requires the committee to allocate state low-income housing tax credits in conformity with state and federal law that establishes a maximum rent that may be charged to a tenant for a project unit constructed using low-income housing tax credits. The bill would define various terms for these purposes. Among other things, the bill would require that 100% of the units, exclusive of manager units, in a housing development project eligible for approval as a use by right under these provisions be affordable to lower income households, except that 20% of the units may be for moderate-income households, and 5% of the units may be for staff of the independent institution of higher education or the religious institution that owns the land, provided that the units affordable to lower income households are offered at affordable rent, as set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee, or affordable housing cost, as specified. The bill would authorize the development to include ancillary uses on the ground floor of the development, as specified.

SB 406 (Cortese) CEQA: exemption: financial assistance: residential housing

Status: 9/1/23 Approved by the Governor. Chaptered by Secretary of State

Sponsor: Santa Clara County

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts for its requirements actions taken by the Department of Housing and Community Development or the California Housing Finance Agency to provide financial assistance or insurance for the development and construction of residential housing, as provided. This bill would extend the above exemption to actions taken by a local agency not acting as the lead agency to provide financial assistance or insurance for the development and construction of residential housing, as provided.

SB 423 (Wiener) Land use: streamlined housing approvals: multifamily housing developments

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 778, Statutes of 2023

Sponsor: California Housing Consortium, California YIMBY, California Conference of Carpenters

Summary: Would authorize the Department of General Services to act in the place of a locality or local government, at the discretion of that department, for purposes of the ministerial, streamlined review for development in compliance with the specified-described requirements on property owned by or leased to the state. The bill would extend the operation of the streamlined, ministerial approval process to January 1, 2036. The bill would provide that the streamlined, ministerial approval process does not apply to applications for developments proposed on qualified sites, defined as a site that is located within an equine or equestrian district and meets certain other requirements, that are submitted on or after January 1, 2024, but before July 1, 2025. This bill would modify the specified-described objective planning standards, including by revising the standard that prohibits a multifamily housing development from being subject to the streamlined, ministerial approval process if the development is located in a coastal zone to apply only if the development located in the coastal zone meets any one of specified conditions. The bill would require that a development located in a coastal zone that satisfies the specified conditions obtain a coastal development permit. The bill would require a local government to approve a coastal development permit if it determines that the development is consistent with all objective standards of the local government's certified local coastal program, as specified. The bill would provide that the changes made by this act would apply in a coastal zone on or after January 1, 2025. This bill would modify the objective planning standard that prohibits a development subject to the streamlined, ministerial approval process from being located in a high fire severity zone by deleting the prohibition for a development to be located within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection, and would instead prohibit a development from being located within the state responsibility area, as defined, unless the site has adopted specified standards. The bill would also remove an exception for sites excluded from specified hazard zones by a local agency, as specified.

SB 439 (Skinner) Special motions to strike: priority housing development projects

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 779, Statutes of 2023

Sponsor: California Housing Consortium, Public Interest Law Project

Summary: Current law permits any party to file a notice of motion and motion to strike the whole or any part of a pleading. Under current law, a party may file with the trial court a special motion to strike a cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue. This bill would permit a party to file with the trial court a special motion to strike the

whole or any part of a pleading in all civil actions brought by any plaintiff to challenge the approval or permitting of a priority housing development project, as defined. The bill would require the trial court to deny the motion to strike if it determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim. The bill would entitle a prevailing defendant on a special motion to strike to recover their attorney's fees and costs, except as specified. Except as specified, the bill would require the filing of a special motion to strike within 60 days of the service of the complaint, or in the court's discretion, at any later time the court deems proper. The bill would provide that if the court determines the administrative record is required for its decision, the moving party may, notwithstanding the filing deadlines above, file the special motion to strike within 60 days of the service of the administrative record or, in the court's discretion, at any later time the court deems proper.

SB 469 (Allen) Housing: publicly funded low-rent housing projects

Status: 9/8/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 179, Statutes of 2023

Sponsor: California Housing Partnership Corporation, California Rural Legal Assistance Federation

Summary: The California Constitution prohibits the development, construction, or acquisition in any manner of a low-rent housing project by any state public body, as defined, until a majority of the qualified electors of the city, town, or county in which it is proposed to develop, construct, or acquire the same, voting upon that issue, approve the project by voting in favor at an election. The California Constitution, for purposes of this prohibition, defines "low-rent housing project" to mean any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or in part by the federal government or a state public body, or to which the federal government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. Current law establishes exclusions from this definition of "low-rent housing project," including a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to specified provisions of the Zenovich-Moscone-Chacon Housing and Home Finance Act relating to affordable housing preservation, rental housing development awarded funds from certain multifamily housing direct loan programs, and housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are impacted by the COVID-19 pandemic or other communicable diseases. This bill would expand that exclusion to include a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using an allocation of federal or state low-income housing tax credits from the California Tax Credit Allocation Committee or moneys appropriated and disbursed pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act, and the Affordable Housing and Sustainable Communities Program, thereby

excluding the developments that receive money from the specified funds and programs from the scope of the above-described constitutional provision.

SB 684 (Caballero) Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 783, Statutes of 2023

Sponsor: California YIMBY, LISC San Diego, Central Valley Urban Institute, California Community Builders

Summary: The Subdivision Map Act vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification thereof. The Planning and Zoning Law contains various provisions requiring a local government that receives an application for certain types of qualified housing developments to review the application under a streamlined, ministerial approval process depending on the type of housing development, as specified. Current law, known as the Starter Home Revitalization Act of 2021, requires a city or county to approve an application for a small home lot housing development project, as defined, on a proposed site to be subdivided unless the city or county makes a finding related to the development's compliance with certain requirements or the development's specific, adverse public health or safety impact. This bill would require a local agency to ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets specified requirements. In this regard, the bill would require the proposed subdivision to result in 10 or fewer parcels and the housing development project to, among other things, consist of 10 or fewer residential units, meet certain minimum parcel size and density requirements, and be located on a lot zoned for multifamily residential development that is no larger than 5 acres and is substantially surrounded by qualified urban uses. The bill would exempt the housing development project from certain requirements relating to minimum parcel size and dimensions and the formation of a homeowners' association, except as specified.

Ballot Measures

ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure

Status: 9/20/23 Chaptered by Secretary of State- Chapter 173, Statutes of 2023

Sponsor: California Professional Firefighters, California State Building and Construction Trades Council

Summary: The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service

bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, including down payment assistance, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the proposition includes specified accountability requirements. The measure would prohibit a city, county, city and county, or special district from placing a proposition on the ballot pursuant to these provisions if the voters have previously approved a proposition pursuant to these provisions or the below special tax provisions until all funds from the previous proposition are committed to programs and projects listed in the specific local program or ordinance, as described. The measure, subject to certain vote thresholds, would authorize the Legislature to enact laws establishing additional accountability measures and laws for the down payment assistance programs authorized by the measure, as specified.

AB 531(Irwin) The Behavioral Health Infrastructure Bond Act of 2023

Status: 10/12/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 789, Statutes of 2023

Summary: This bill would enact the Behavioral Health Infrastructure Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,380,000,000 to finance loans or grants for the acquisition of capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing for veterans and others who are homeless and meet specified criteria, and for grants for the Behavioral Health Continuum Infrastructure Program, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. The bill would provide for the submission of specified sections of this bill and SB 326 to the voters at the March 5, 2024, statewide primary election.

SB 326 (Eggman)The Behavioral Health Services Act

Status: 10/12/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 790, Statutes of 2023

Summary: (1) Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans for the provision of mental health services. Existing law authorizes the MHSA to be amended by a 2/3 vote of the Legislature if the amendments are consistent with and further the intent of the MHSA. Existing law authorizes the Legislature to add provisions to clarify procedures and terms of the MHSA by majority vote. This bill would require a county, for behavioral health services eligible for reimbursement pursuant to the federal Social Security Act, to submit the claims for reimbursement to the State Department of Health Care Services (the department) under specific circumstances. The bill would require counties to pursue reimbursement through various channels and would authorize the counties to report

issues with managed care plans and insurers to the Department of Managed Health Care or the Department of Insurance. This bill contains other related provisions and other existing laws.

Farmworker Housing

AB 1439 (Garcia) Low-income housing tax credit: farmworker housing

Status: 10/7/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 369, Statutes of 2023

Summary: Current law establishes a low-income housing tax credit program for which the California Tax Credit Allocation Committee (CTCAC) provides procedures and requirements for the allocation, in modified conformity with federal law, of state insurance, personal income, and corporation tax credit amounts to qualified low-income housing projects that have been allocated, or qualify for, a federal low-income housing tax credit, and farmworker housing. Current law limits the total annual amount of the state low-income housing credit for which a federal low-income housing credit is required to the sum of \$70,000,000, as increased by any percentage increase in the Consumer Price Index for the preceding calendar year, any unused credit for the preceding calendar years, and the amount of housing credit ceiling returned in the calendar year. Current law governing the taxation of insurers, the Personal Income Tax Law, and the Corporation Tax Law provided an allocation of \$500,000,000 for the 2020 calendar year and, for calendar years beginning in 2021, also provides for an additional amount that may be allocated, up to \$500,000,000, to specified low-income housing projects that are new buildings that are federally subsidized, as specified. Current law provides that this additional amount is only available for allocation pursuant to an authorization in the annual Budget Act. Current law requires specified regulatory action by CTCAC aimed at increasing production and containing costs, including a scoring system that maximizes the efficient use of public subsidy and benefit created through the low-income housing tax credit program, as specified. This bill would require CTCAC to consider amending the regulatory scoring system to also award maximum points to farmworker housing projects under the housing needs category, and an initial 5 points in the category for site amenities beyond those required as additional thresholds.

Funding/Finance

AB 346 (Quirk-Silva) Income tax credits: low-income housing: California Debt Limit Allocation Committee rulemaking

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 739, Statutes of 2023

Sponsor: California Housing Partnership Corporation

Summary: Current federal law prescribes a volume ceiling on the aggregate amount of private activity bonds that may be issued in a state. Current law creates the California Debt Limit Allocation Committee (CDLAC) for the purpose of administering the volume limit for the state on private activity bonds through an allocation system. Current law authorizes CDLAC to adopt, amend, or repeal rules and regulations as emergency

regulations in accordance with the rulemaking provisions of the Administrative Procedure Act. This bill, instead, would authorize CDLAC to adopt, amend, or repeal rules and regulations without complying with the procedural requirements of the Administrative Procedures Act, except as specified. The bill would make rules and regulations adopted, amended, or repealed by CDLAC effective immediately upon adoption.

SB 341(Becker) Housing development

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 777, Statutes of 2023

Sponsor: California Housing Partnership Corporation

Summary: Current law establishes the Infill Infrastructure Grant Program of 2019, which requires the department, upon appropriation of funds by the Legislature, to establish and administer a grant program to allocate those funds to eligible applicants, as defined, to fund capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project, qualifying infill area, or catalytic qualifying infill area pursuant to specified requirements. Current law requires the department, in its review and ranking of applications for the award of capital improvement project grants, to rank affected qualifying infill areas based on specified priorities. This bill, with respect to the Infill Infrastructure Grant Program of 2019, would specify that only the qualifying infill area portion of that program must be awarded additional points or preference. This bill would add the qualifying infill area and catalytic qualifying infill area portions of the Infill Infrastructure Grant Program of 2019 as one of the specified state programs for which additional points or preference is awarded. This bill would also make technical changes to the provisions of the programs.

SB 482 (Blakespear) Multifamily Housing Program: supportive housing: capitalized operating reserves

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 780, Statutes of 2023

Sponsor: California Housing Partnership Corporation

Summary: Current law establishes eligible cost categories for the Multifamily Housing Program, which include capitalized reserves for replacement and operation. In this regard, existing law authorizes the Department of Housing and Community Development to allow capitalized operating reserves to be used for rent subsidies for assisted units, as specified. This bill would specify that the department may allow capitalized operating reserves to be used for eligible projects, and that assisted units may include, but not be limited to, supportive housing units, as defined. To determine project eligibility for capitalized operating reserves, the bill would authorize the department to consider specified factors, including the availability of funds and the individual financial needs of the project. The bill would require the department to offer capitalized operating reserves to supportive housing units after developers have sought capitalized reserves from other potential funding sources.

Housing Enforcement/Housing Element

AB 1485 (Haney) Housing element: enforcement: Attorney General

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 763, Statutes of 2023

Sponsors: California Attorney General Rob Bonta, Housing Action Coalition

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and requires that general plan to include, among other mandatory elements, a housing element. Existing law authorizes the Department of Housing and Community Development to notify the office of the Attorney General, that a city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to the housing element does not substantially comply with specified provisions of the Planning and Zoning Law, or that the local government has taken action or failed to act in violation of specified provisions of law relating to housing, including, among others, the Housing Accountability Act, the Density Bonus Law, and the Housing Crisis Act of 2019. This bill would permit both the department and the office of the Attorney General to intervene as a matter of unconditional right in any legal action addressing a violation of the specified housing laws described above, including, among others, the Housing Accountability Act, the Density Bonus Law, and the Housing Crisis Act of 2019. This bill contains other existing laws.

AB 1633 (Ting) Housing Accountability: disapprovals: CEQA

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 768, Statutes of 2023

Sponsor: California Housing Partnership Corporation, Bay Area Council, California YIMBY

Summary: Existing law, the Housing Accountability Act, prohibits a local agency from disapproving a housing development project, as described, unless it makes certain written findings based on a preponderance of the evidence in the record. The act defines "disapprove the housing development project" as including any instance in which a local agency either votes and disapproves a proposed housing development project application, including any required land use approvals or entitlements necessary for the issuance of a building permit, or fails to comply with specified time periods. Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that the lead agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if the lead agency finds that the project will not have that effect. This bill, until January 1, 2031, would define "disapprove the housing development project" as also including any instance in which a local agency fails to make a determination of whether the project is exempt from CEQA or commits an abuse of discretion, as specified, or fails to adopt a negative declaration or addendum for the project, to certify an environmental impact report for the project, or to approve another comparable environmental document, if certain conditions are satisfied.

Among other conditions, the bill would require a housing development project subject to these provisions to be located on a legal parcel or parcels within an urbanized area and to meet one or more of specified criteria, and to meet or exceed 15 dwelling units per acre. By imposing additional duties on local officials, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 434 (Grayson) Housing element: notice of violation

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 740, Statutes of 2023

Sponsor: Casita Coalition

Summary: Current law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other mandatory elements, a housing element. Upon adoption of a housing element or amendment to an adopted housing element, current law requires the planning agency to submit a copy to the Department of Housing and Community Development, as provided, and requires the department to evaluate the adopted housing element or amendment and report its findings to the planning agency within 90 days. This bill would, instead, require the department to review an adopted housing element or amendment and report its findings to the local planning agency within 60 days.

AB 529 (Gabriel) Adaptive reuse projects

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 743, Statutes of 2023

Sponsor: Nonprofit Housing Association of Northern California

Summary: The Planning and Zoning Law requires the Department of Housing and Community Development to determine whether the housing element in each county and city is in substantial compliance with specified provisions of that law. Current law, for award cycles commenced after July 1, 2021, awards a city, county, or city and county, that has adopted a housing element determined by the department to be in substantial compliance with specified provisions of the Planning and Zoning Law and that has been designated by the department as prohousing based upon their adoption of prohousing local policies, as specified, additional points in the scoring of program applications for housing and infrastructure programs pursuant to guidelines adopted by the department, as provided. Current law defines "prohousing local policies" as policies that facilitate the planning, approval, or construction of housing, including, but not limited to, local financial incentives for housing, reduced parking requirements for sites that are zoned for residential development, and the adoption of zoning allowing for use by right for residential and mixed-use development. This bill would add the facilitation of the conversion or redevelopment of commercial properties into housing, including the adoption of adaptive reuse, as defined, ordinances or other mechanisms that reduce barriers for these conversions, to the list of specified prohousing local policies.

Homelessness

AB 1285 (Wicks) Homeless Housing, Assistance, and Prevention program and Encampment Resolution Funding program

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 727, Statutes of 2023

Sponsor: City of Berkeley

Summary: The Homeless Housing, Assistance, and Prevention program is administered by the California Interagency Council on Homelessness to provide grant funds to cities, continuums of care, and tribes in 5 rounds to support regional coordination and expand or develop local capacity to address homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the effort of those individuals and families to maintain their permanent housing. Current law requires, to be eligible for a round 5 base program allocation, a jurisdiction that is not a tribe to apply as part of a region and to be signatory to a regionally coordinated homelessness action plan that has been approved by the council. Current law requires the regionally coordinated homelessness action plan to include, among other things, an explanation of how each participating jurisdiction is utilizing local, state, and federal funding programs to end homelessness. Current law establishes the Encampment Resolution Funding program, administered by the California Interagency Council on Homelessness, to increase collaboration between the council, local jurisdictions, and continuums of care for specified purposes. Existing law requires the council to award moneys pursuant to the program as competitive grants, as specified, to be used to support encampment resolution and rehousing efforts for local jurisdictions. Current law requires the council to prioritize funding applicants that demonstrate a commitment to cross-systems collaboration and innovative efforts to resolve encampment issues or have 50 or more individuals living in the encampment. This bill would require the above-described regionally coordinated homelessness action plan to additionally include evidence and an explanation by a continuum of care that shares geographic boundaries with a city, county, or city and county that is using state funding allocated pursuant to the Homeless Housing, Assistance, and Prevention program or is receiving state funding pursuant to the Encampment Resolution Funding program to provide services or housing for place-based encampment resolution, of collaboration with the city, county, or city and county that addresses how people served through encampment resolution have or will be included in prioritization for permanent housing within coordinated entry systems.

AB 1377 (Friedman) Homeless Housing, Assistance, and Prevention Program

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 728, Statutes of 2023

Sponsor: Los Angeles County Metropolitan Transportation Authority

Summary: Current law establishes the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with one-time grant funds to support

regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Current law provides for the allocation of funding under the program among continuums of care, cities, counties, and tribes in 4 rounds, which are to be administered by the Interagency Council on Homelessness. This bill would require applications or planning materials for additional state funding appropriated on or after July 1, 2024, as specified, to include data and a narrative summary of specific and quantifiable steps that the applicant has taken to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness on transit facilities owned and operated by a transit agency, as defined.

SB 91 (Umberg) CEQA: supportive and transitional housing: motel conversion: environmental leadership transit projects

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 732, Statutes of 2023

Summary: CEQA requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Current law, until January 1, 2025, exempts from CEQA projects related to the conversion of a structure with a certificate of occupancy as a motel, hotel, residential hotel, or hostel to supportive or transitional housing, as defined, that meet certain conditions. This bill would extend indefinitely the above exemption.

Homeownership

AB 1508 (Ramos) Department of Housing and Community Development: California Statewide Housing Plan

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 765, Statutes of 2023

Sponsor: The Two Hundred for Homeownership

Summary: Current law establishes the California Statewide Housing Plan to serve as a state housing plan for all relevant purposes. Current law requires that the plan incorporate, among other things, a statement of housing goals, policies, and objectives, and requires the Department of Housing and Community Development (department) to update and provide a revision of the plan to the Legislature every 4 years, as specified. Current law requires each update and revision to the plan occurring on or after January 1, 2023, to include an inventory of the number of affordable units

needed to meet the state's affordable housing needs for the plan period and to incorporate technical updates and provide technical recommendations, as specified. This bill would require each update and revision to the plan to also include (1) an analysis of first-time home buyer assistance policies, goals, and objectives; (2) recommendations for actions that will contribute to increasing homeownership opportunities for first-time home buyers in California; and (3) an evaluation and summary of demographic disparities in homeownership attainment in California, as specified.

Local Financing Districts

AB 1319 (Wicks) Bay Area Housing Finance Authority: housing revenue

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 758, Statutes of 2023

Sponsor: Metropolitan Transportation Committee, Association of Bay Area Governments, Enterprise Community Partners, Nonprofit Housing Association of Northern California

Summary: Current law requires the Bay Area Housing Finance Authority and executive board of the Association of Bay Area Governments to form an advisory committee composed of 9 representatives with knowledge and experience in the areas of affordable housing finance and development, tenant protection, and housing preservation. This bill would require the authority and executive board to form an advisory committee composed of at least 9 and no more than 11 representatives with knowledge and expertise in the areas of affordable housing finance, construction workforce, and development, tenant protection, and housing preservation.

SB 20 (Rubio) Joint powers agreements: regional housing trusts

Status: 9/1/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 147, Statutes of 2023

Summary: The Joint Exercise of Powers Act specifically authorizes the creation of the Orange County Housing Finance Trust and the San Gabriel Valley Regional Housing Trust, both joint powers authorities, for the purpose of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within their respective regions, as specified. This bill would authorize 2 or more local agencies, as defined, to create a regional housing trust for the purpose of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within their jurisdictions by entering into a joint powers agreement pursuant to the Joint Exercise of Powers Act. The bill would also authorize a federally recognized tribal government to enter into the joint powers agreement. The bill would require a regional housing trust created pursuant to these provisions to be governed by a board of directors consisting of a minimum of 5 directors, as specified. The bill would authorize a regional housing trust to fund the planning, construction, and acquisition of housing, receive public and private financing and funds, and authorize and issue bonds, as specified. The bill would require the joint powers agreement

establishing the regional housing trust to incorporate specified annual financial reporting and auditing requirements.

SB 593 (Wiener) Redevelopment: successor agency debt: City and County of San Francisco

Status: 0/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 782, Statutes of 2023

Sponsor: City and County of San Francisco, Freedom West Homes Corporation

Summary: Current law, among other powers granted to successor agencies generally, additionally vests the successor agency to the former Redevelopment Agency of the City and County of San Francisco with the authority, rights, and powers of that former redevelopment agency solely for the purpose of issuing bonds or incurring other indebtedness, subject to the approval of the oversight board of the successor agency, to finance the construction of affordable housing and infrastructure required by specified development agreements. Under current law, these bonds and indebtedness are considered indebtedness incurred by the dissolved redevelopment agency secured by moneys deposited in the Redevelopment Property Tax Trust Fund established for that agency. This bill would expand this authority to include bonds issued and other indebtedness incurred to finance the development, construction, repair, renovation, or reconstruction of affordable housing units that are or remain affordable to, and occupied by, persons and families of low-, moderate-, extremely low, and very low-income households for at least 55 years for rental units and 45 years for owner-occupied units, subject to specified conditions and authorizations. The bill would specify the security requirements for the bonds issued or other indebtedness incurred to finance the development, construction, repair, renovation, or reconstruction of affordable housing units.

Mobile Homes & Manufactured Housing

AB 42 (Ramos) Tiny homes: temporary sleeping cabins: fire sprinkler requirements

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 725, Statutes of 2023

Sponsor: Family Assistance Program

Summary: The Planning and Zoning Law, among other things, provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law prohibits a local agency from requiring an accessory dwelling unit to provide fire sprinklers, if they are not required for the primary residence. This bill, until January 1, 2027, would prohibit a local agency from imposing or enforcing any requirement to provide fire sprinklers for a temporary sleeping cabin that is on a site with 50 or fewer temporary sleeping cabins. The bill would define "temporary sleeping cabin" to mean a nonpermanent structure that is intended to provide temporary housing to people experiencing homelessness or at risk of homelessness, has a total floor area of less than 250 feet, and does not include plumbing. The bill would require a temporary

sleeping cabin that does not include fire sprinklers to comply with alternative fire life and safety standards that include providing, among other things, a smoke alarm and carbon monoxide alarm in the unit, a fire extinguisher in the unit, and ingress and egress that facilitates rapid exit of the temporary sleeping cabin.

AB 318 (Addis) Mobile Home Residency Law Protection Act

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 736, Statutes of 2023

Sponsor: Golden State Manufactured-home Owners League

Summary: Existing law, the Mobilehome Residency Law Protection Act, establishes the Mobilehome Residency Law Protection Program within the Department of Housing and Community Development to assist in taking and resolving complaints from homeowners relating to the Mobilehome Residency Law. Existing law requires the department to refer any alleged violations of law or regulations within the department's jurisdiction to the Division of Codes and Standards. Existing law requires the department to use good faith efforts to select the most severe, deleterious, and materially and economically impactful alleged violations, as specified. This bill would delete the requirement that the department select the most severe, deleterious, and materially and economically impactful alleged violations. This bill contains other related provisions and other existing laws.

AB 319 (Connolly) Mobile Home Parks Act: inspectors: conflict of interest: enforcement actions: sunset

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 737, Statutes of 2023

Summary: Existing law, the Mobilehome Parks Act, generally requires the Department of Housing and Community Development to enforce the act, except that a city, county, or city and county may assume the responsibility for the enforcement of the act upon the approval of the department, as provided. Existing law requires the enforcement agency to enter and inspect mobilehome parks, as prescribed. Existing law also requires an enforcement agency to issue notice to correct a violation and provides for procedures for owners or operators to dispute and appeal violation notices, as specified. Existing law repeals these provisions as of January 1, 2024.

Parking

AB 894 (Friedman) Parking requirements: shared parking

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 749, Statutes of 2023

Sponsor: San Francisco Bay Area Planning and Urban Research Association

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a housing element. Current law also authorizes the legislative

body of a city or a county to adopt ordinances establishing requirements for parking. When an entity receiving parking is not using that parking to meet public automobile parking requirements, this bill would require a local agency, as defined, to allow entities with underutilized parking to share their underutilized parking with the public, local agencies, or other entities, if those entities submit a shared parking agreement, as defined, to the local agency, and information identifying the benefits of the proposed shared parking agreement. The bill would require a local agency to allow parking spaces identified in a shared parking agreement to count toward meeting automobile parking requirements for a new or existing development or use, including, but not limited to, shared parking in underutilized spaces and in parking lots and garages that will be constructed as part of the development or developments when specified conditions regarding the distance between the entities that will share the parking are met. The bill would require a local agency to approve the shared parking agreement if it includes, among other things, a parking analysis using peer-reviewed methodologies developed by a professional planning association, as specified. The bill would require a local agency to decide whether to approve or deny the shared parking agreement and determine how many parking spaces can be reasonably shared between uses to fulfill parking requirements if the shared parking agreement does not include this parking analysis. If the local agency is required to decide whether to approve or deny an agreement for specified developments under these provisions, the bill would require the local agency to notify all property owners within 300 feet of the shared parking spaces of the proposed agreement and to hold a public meeting if it receives a request to do so within 14 days of notifying property owners, as provided. The bill would specify that these notification and public meeting requirements would not apply to local agencies that enact an ordinance that provides for shared parking agreements, including ordinances enacted before January 1, 2024.

AB 1308 (Wicks) Planning and zoning: single-family residences: parking requirements

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 756, Statutes of 2023

Summary: The Planning and Zoning Law authorizes the legislative body of any county or city to adopt ordinances that regulate the use of buildings, structures, and land as between industry, business, residences, open space, and other purposes. This bill would prohibit a public agency, as defined, from increasing the minimum parking requirement that applies to a single-family residence as a condition of approval of a project to remodel, renovate, or add to a single-family residence, except as specified. By imposing additional duties on local officials, the bill would impose a state-mandated local program.

AB 1317 (Carrillo) Unbundled parking

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 757, Statutes of 2023

Sponsor: Streets for All

Summary: Existing law prohibits an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or a unit more than 5% plus the percentage change in the cost of living, or 10%, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months before the effective date of the increase, as prescribed. This bill would require the owner of qualifying residential property, as defined, that provides parking with the qualifying residential property to unbundle parking from the price of rent, as specified. The bill would define “unbundled parking” as the practice of selling or leasing parking spaces separate from the lease of the residential use. The bill would define “qualifying residential property” as any dwelling or unit that is intended for human habitation that (1) is issued a certificate of occupancy on or after January 1, 2025, (2) consists of 16 or more residential units, and (3) is located within the County of Alameda, Fresno, Los Angeles, Riverside, Sacramento, San Bernardino, San Joaquin, Santa Clara, Shasta, or Ventura. The bill would provide a tenant of a qualifying residential property with a right of first refusal to parking spaces built for their unit, as specified. The bill would prohibit a tenant's failure to pay the parking fee of a separately leased parking agreement from forming the basis of any unlawful detainer action against the tenant. The bill would authorize a property owner, if a tenant fails to pay by the 45th day following the date payment is owed for a separately leased parking space, to revoke that tenant's right to lease that parking spot. The bill would exempt certain properties from these provisions, including residential properties with individual garages that are functionally a part of the property and housing developments where 100% of the units, exclusive of any manager's unit or units, are restricted as affordable housing for persons and families of low or moderate income. This bill contains other related provisions.

SB 712 (Portantino) Tenancy: personal micro mobility devices

Status: 10/8/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 630, Statutes of 2023

Sponsor: Streets for All

Summary: Would prohibit a landlord from prohibiting a tenant from owning personal micro mobility devices or from storing and recharging up to one personal micro mobility device in their dwelling unit for each person occupying the unit, subject to certain conditions and exceptions. The bill would define “personal micro mobility device” for those purposes to mean a device that is powered by the physical exertion of the rider or an electric motor and is designed to transport one individual or one adult accompanied by up to 3 minors.

Property Tax

AB 84 (Ward) Property tax: welfare exemption: affordable housing

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 734, Statutes of 2023.

Sponsor: CA Housing Partnership Corporation

Summary: (1) Existing property tax law, in accordance with the California Constitution, provides for a "welfare exemption" for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met. Existing law defines "property used exclusively for religious, hospital, or charitable purposes" to include facilities in the course of construction on or after the first Monday of March 1954, as specified. This bill would expand this partial exemption to property acquired, rehabilitated, developed, or operated, or any combination of these factors, with financing from qualified 501(c)(3) bonds, as defined.

AB 1528 (Gipson) Housing authorities: property taxation

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 766, Statutes of 2023

Sponsor: Housing Authority of the City of Los Angeles, California Association of Housing Authorities

Summary: Would specify that property held by a nonprofit public benefit corporation that is controlled by a housing authority, as described, is exempt from taxation. The bill would require any outstanding ad valorem tax, interest, or penalty that was levied on the property of a housing authority to be canceled, and any tax, interest, or penalty levied that was paid prior to January 1, 2024, to be refunded. This bill contains other existing laws.

SB 520 (Seyarto) Property taxation: homeowners' exemption

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 781, Statutes of 2023

Summary: Current law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a dwelling, as defined. Current law provides that this exemption does not extend, among other things, to property that is rented, vacant, under construction on the lien date, or that is a vacation or secondary home of the owner or owners. Current law provides that, notwithstanding this provision, if a person receiving the exemption is not occupying the dwelling on the lien date because the dwelling was damaged in a misfortune or calamity, the person shall be deemed to occupy that same dwelling as their principal place of residence on the lien date, provided the person's absence from the dwelling is temporary and the person intends to return to the dwelling when possible to do so. This bill would provide that, if a person receiving the exemption is not occupying the dwelling because they are confined to a hospital or other care facility, the person shall be deemed to occupy that dwelling as their principal place of residence, provided that the person would occupy the dwelling if they were not confined to the hospital or other care facility, the person intends to return to the dwelling when possible to do so, and the dwelling is not rented or leased to a person that is not described in specified law.

SB 734 (Rubio) Property tax: possessory interests

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 785, Statutes of 2023

Sponsor: Los Angeles Mayor Karen Bass

Summary: Current law requires that all property subject to tax be assessed at its full value and includes certain possessory interests among those property interests subject to tax. Current law defines a taxable possessory interest to be a possession of, claim to, or right to the possession of land or improvements that is independent, durable, and exclusive of rights held by others in the property, except as provided. Current law authorizes the state or any local public entity of government, when entering into a written contract with a private party whereby a possessory interest subject to property taxation may be created, to include, or cause to be included, in that contract, a statement that the property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest. This bill would provide that, for the purpose of defining "possessory interest," a tenancy in a residential unit of a publicly owned housing project by a low-income household leased at affordable rents does not create independent possession or use of land or improvements by the tenant.

Public Land

AB 480 (Ting) Surplus land

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 788, Statutes of 2023

Sponsor: Nonprofit Housing Association of Northern California, East Bay Housing Organization, Public Interest Law Project, San Diego Housing Federation

Summary: Current law prescribes requirements for the disposal of surplus land by a local agency, as defined, and requires, except as provided, a local agency disposing of surplus land to comply with certain notice requirements before disposing of the land or participating in negotiations to dispose of the land with a prospective transferee, particularly that the local agency send a notice of availability to specified entities that have notified the Department of Housing and Community Development of their interest in surplus land, as specified. Under current law, if the local agency receives a notice of interest, the local agency is required to engage in good faith negotiations with the entity desiring to purchase or lease the surplus land. This bill would define the term "dispose" to mean the sale of the surplus property or a lease of any surplus property entered into on or after January 1, 2024, for a term longer than 15 years, including renewal options, as specified. The bill would provide that "dispose" does not include entering a lease for surplus land on which no development or demolition will occur, regardless of the term of the lease.

AB 1734 (Jones-Sawyer) Local Government: Surplus Land Act: exemptions

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 769, Statutes of 2023

Sponsor: Los Angeles Mayor Karen Bass

Summary: Existing law requires land to be declared surplus land or exempt surplus land, as supported by written findings, before a local agency takes any action to dispose of it consistent with the agency's policies or procedures. Existing law sets forth procedures for the disposal of surplus land, including, but not limited to, specified notice requirements, and provides that these procedures do not apply to exempt surplus land. This bill, until January 1, 2034, would specify that land disposed of by a city with a population exceeding 2,500,000 for certain purposes, including low barrier navigation centers, supportive housing, transitional housing for youth and young adults, or affordable housing, as described, is not subject to the above-described requirements, if the city meets certain prescribed requirements and specified construction or development work meets prescribed requirements. The bill would require a city that disposes of land pursuant to these provisions to include prescribed information in a specified annual report. The bill would make a local agency that disposes of land in violation of these provisions liable for a civil penalty, as specified.

SB 34 (Umberg) Surplus land disposal: violations: County of Orange

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 772, Statutes of 2023

Summary: Current law prescribes requirements for the disposal of land determined to be surplus land by a local agency. Those requirements include a requirement that a local agency, prior to disposing of a property or participating in negotiations to dispose of that property with a prospective transferee, send a written notice of availability of the property to specified entities, depending on the property's intended use, and send specified information in regard to the disposal of the parcel of surplus land to the Department of Housing and Community Development. Current law, among other enforcement provisions, makes a local agency that disposes of land in violation of these disposal provisions, after receiving notification of violation from the department, liable for a penalty of 30% of the final sale price of the land sold in violation for a first violation and 50% for any subsequent violation. Under current law, except as specified, a local agency has 60 days to cure or correct an alleged violation before an enforcement action may be brought. Current law provides for the deposit and use of penalty revenues for housing, as prescribed. This bill, until January 1, 2030, would require the County of Orange, or any city located within the County of Orange, if notified by the department that its planned disposal of surplus land is in violation of existing law, to cure or correct the alleged violation within 60 days, as prescribed. The bill would prohibit a County of Orange jurisdiction that has not cured or corrected any alleged violation from disposing of the parcel until the department determines that it has complied with existing law or deems the alleged violation not to be a violation.

SB 229 (Umberg) Surplus land: disposal of property: violations: public meeting

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 774, Statutes of 2023

Summary: Would require a local agency that is disposing of surplus land and has received a notification of violation from the Department of Housing and Community Development to hold an open and public meeting to review and consider the substance of the notice of violation. The bill would require the local agency's governing body to provide prescribed notice no later than the time required by specified provisions. The bill would prohibit the local agency's governing body from taking final action to ratify or approve the proposed disposal of surplus land until a public meeting is held as required. The bill would exempt from its provisions a local agency that ceases to dispose of surplus land after receiving the notice of violation. By imposing new duties on local agencies, the bill would impose a state-mandated local program.

SB 240 (Ochoa Bogh) Surplus state real property: affordable housing and housing for formerly incarcerated individuals

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 775, Statutes of 2023

Summary: Current law requires a local agency or nonprofit affordable housing sponsor to satisfy certain requirements to be considered as a potential priority buyer of surplus state real property, including that the local agency or nonprofit affordable housing sponsor demonstrate, to the satisfaction of the department, that the surplus state real property, or portion of that surplus state real property, is to be used by the local agency or nonprofit affordable housing sponsor for open space, public parks, affordable housing projects, or development of local government-owned facilities. Current law authorizes the Department of General Services to sell surplus state real property, or a portion of surplus state real property, to a local agency, or to a nonprofit affordable housing sponsor if no local agency is interested in the surplus state real property, for affordable housing projects at a sales price less than fair market value if the department determines that such a discount will enable the provision of housing for persons and families of low or moderate income. This bill would additionally authorize a local agency or nonprofit affordable housing sponsor to be considered as a potential priority buyer of surplus state real property upon demonstration that the property is to be used by the agency or sponsor for housing for formerly incarcerated individuals, subject to the same provisions described above, as specified.

SB 747 (Caballero) Land use: surplus land

Status: 0/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 786, Statutes of 2023

Summary: Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines terms for these purposes. Existing law defines "surplus land" to generally mean land owned in fee simple by a local agency for which the local agency's governing body takes formal action in a public meeting declaring that the land is surplus and not necessary for the agency's use. Current law defines "agency's

use” to include land that is being used, is planned to be used pursuant to a written plan adopted by the local agency’s governing board, or is disposed of to support agency work or operations. Current law excludes from “agency’s use” commercial or industrial uses or activities, or property disposed of for the sole purpose of investment or generation of revenue, unless the local agency is a district, except as specified, and the agency’s governing body takes specified actions in a public meeting. Current law excludes from these requirements the disposal of exempt surplus land by an agency of the state or any local government. Current law requires a local agency to declare land as either surplus land or exempt surplus land, as supported by written findings, before a local agency may take any action to dispose of it. Under existing law, exempt surplus land includes, among other types of land, property that is used by a district for an “agency’s use” as expressly authorized, land for specified developments, including a mixed-use development, if put out to open, competitive bid by a local agency, as specified, and surplus land that is subject to specified valid legal restrictions. This bill would define the term “dispose” for these purposes to mean the sale of the surplus property or a lease of any surplus property entered into on or after January 1, 2024, for a term longer than 15 years, including renewal options, as specified.

Senior Housing

AB 839 (Addis) Residential care facilities for the elderly: financing

Status: 10/10/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 667, Statutes of 2023

Sponsor: LeadingAge

Summary: Under current law, the California Health Facilities Financing Authority Act, the California Health Facilities Financing Authority is authorized to make and fund loans through the issuance of revenue bonds, and award grants, to finance or refinance projects by participating health institutions, as defined. Under the act, projects include construction, expansion, remodeling, renovation, furnishing, or equipping, or funding, financing, or refinancing of a health facility, as defined, or acquisition of a health facility to be financed or refinanced with funds provided in whole or in part pursuant to the act. Under the act, the California Health Facilities Financing Authority Fund is created, with moneys in the fund continuously appropriated to the authority for carrying out the purposes of the act. This bill would expand the above-described program to include residential care facilities for the elderly (RCFEs) by adding an RCFE to the definition of “health facility” under the program. The bill would make conforming changes to related provisions. The bill would clarify that other provisions under existing law relating to health facilities would not be affected by the expanded definition, as specified.

Social Housing

SB 555 (Wahab) Stable Affordable Housing Act of 2023

Status: 10/7/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 402, Statutes of 2023

Sponsor: Alliance for Community Empowerment Institute, Housing Now! CA, Public Advocates, Tenants Together

Summary: Current law establishes various programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, homeownership for very low and low-income households, and downpayment assistance for first-time homebuyers. Current law requires the department to, on or before December 31 of each year, submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department, as prescribed. This bill, the Stable Affordable Housing Act of 2023, would require the department, no later than December 31, 2026, to complete a California Social Housing Study consisting of a comprehensive analysis of the opportunities, resources, obstacles, and recommendations for the creation of housing that is affordable, as defined, and social housing, as defined, at scale, to assist in meeting the need identified in the statewide projections for below market rate housing affordable to households with extremely low, very low, low, and moderate incomes in the 6th Regional Housing Needs Assessment cycle.

Student Housing

AB 358 (Addis) Community college districts: student housing

Status: 7/21/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 83, Statutes of 2023

Summary: The Field Act requires the Department of General Services to supervise the design and construction of any school building, including both school district and community college district buildings, or, if the estimated cost exceeds \$100,000, the reconstruction or alteration of or addition to any school building, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to the act and with relevant building standards, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications. Current law requires the Department of General Services, for purposes relating to access and use by persons with disabilities, to issue a written approval of the plans and specifications of certain buildings and facilities, as provided. Current law defines "school building" for these purposes. This bill would additionally exclude from these requirements any building used as a residence for students attending a campus of a community college district, except upon a request by the community college district, as specified.

Tenant Applications/Fair Housing

AB 12 (Haney) Tenancy: security deposits

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 733, Statutes of 2023

Summary: Would, beginning July 1, 2024, instead prohibit a landlord from demanding or receiving security for a rental agreement for residential property in an amount or value in excess of an amount equal to one month's rent, regardless of whether the residential

property is unfurnished or furnished, in addition to any rent for the first month paid on or before initial occupancy. The bill, unless the prospective tenant is a service member, as defined, would prohibit a landlord from demanding or receiving security for a rental agreement for residential property in an amount or value in excess of 2 months' rent, in addition to any rent for the first month, if the landlord (1) is a natural person or a limited liability corporation in which all members are natural persons and (2) owns no more than 2 residential rental properties that collectively include no more than 4 dwelling units offered for rent. This bill contains other related provisions and other existing laws.

AB 548 (Boerner) State Housing Law: inspection

Status: 0/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 744, Statutes of 2023

Sponsor: Regional Asthma Management and Prevention

Summary: Current law deems a building, portion of a building, or premises on which a building is located to be a substandard building if any one of specified conditions exists to the extent that it endangers the life, limb, health, property, safety, or welfare of the public or its occupants. Current law deems a building, portion of a building, or premises on which a building is located to be in violation of the State Housing Law if it contains lead hazards, as specified, that are likely to endanger the health of the public or the occupants. This bill would require local enforcement agencies, by January 1, 2025, to develop policies and procedures for inspecting a building with multiple units if an inspector or code enforcement officer has determined that a unit is substandard or is in violation of the State Housing Law, and the inspector or code enforcement officer determines that the defects or violations have the potential to affect other units of the building, as specified. If the local enforcement agency determines the substandard condition could reasonably affect other units, the bill would require notice be given to the property owner, as specified, and the units reinspected to verify correction of the violations.

AB 1218 (Lowenthal) Development projects: demolition of residential dwelling units

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 754, Statutes of 2023

Sponsor: Public Interest Law Project, California Rural Legal Assistance Foundation

Summary: The Housing Crisis Act of 2019 prohibits an affected city or an affected county, as defined, from approving a housing development project that will require the demolition of one or more residential dwelling units, unless the project creates at least as many residential dwelling units as will be demolished. The act also prohibits an affected city or affected county from approving any housing development project that will require the demolition of occupied or vacant protected units, unless specified conditions are met. In this regard, the act requires a project that will require the demolition of occupied or vacant protected units to, among other things, (1) replace all existing protected units and protected units demolished on or after January 1, 2020, (2) include a minimum amount of residential units, (3) allow existing occupants to occupy their units until 6 months before the start of construction activities, and (4)

provide relocation benefits to the existing occupants of any protected units that are lower income households. This bill would expand the demolition of residential dwelling units prohibitions to prohibit an affected city or affected county from approving any development project that will require the demolition of occupied or vacant protected units, or that is located on a site where protected units were demolished in the previous 5 years, unless the conditions described above are met, except as provided.

AB 1418 (McKinnor) Tenancy: local regulations: contact with law enforcement or criminal convictions

Status: 10/8/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 476, Statutes of 2023

Sponsor: California Rural Legal Assistance Foundation, Disability Rights California, National Housing Law Project, Root & Rebound, Western Center on Law & Poverty

Summary: Would prohibit a local government from, among other things, imposing a penalty against a resident, owner, tenant, landlord, or other person as a consequence of contact with a law enforcement agency, as specified. The bill similarly would prohibit a local government from requiring or encouraging a landlord to evict or penalize a tenant because of the tenant's association with another tenant or household member who has had contact with a law enforcement agency or has a criminal conviction or to perform a criminal background check of a tenant or a prospective tenant. The bill would preempt inconsistent local ordinances, rules, policies, programs, or regulations and prescribe remedies for violations.

AB 1620 (Zbur) Costa-Hawkins Rental Housing Act: permanent disabilities: comparable or smaller units

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 767, Statutes of 2023

Sponsor: City of Santa Monica, City of West Hollywood

Summary: The Costa-Hawkins Rental Housing Act authorizes an owner of residential real property to establish the initial and subsequent rental rates for a dwelling or unit with respect to which certain criteria are met, including that the dwelling or unit is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified. The act exempts certain tenancies and dwelling units from these provisions, including a unit where the previous tenancy been terminated by the owner pursuant to specified law. This bill would authorize a jurisdiction to require the owner of a residential real property that is subject to an ordinance or charter provision that controls the rental rate to permit a tenant who is not subject to eviction for nonpayment and who has a permanent physical disability related to mobility to move to an available comparable or smaller unit, as defined, located on an accessible floor of the property if certain conditions are met.

SB 267 (Eggman) Credit history of persons receiving government rent subsidies

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 776, Statutes of 2023

Summary: The California Fair Employment and Housing Act (FEHA) prohibits, in instances in which there is a government rent subsidy, the use of a financial or income standard in assessing eligibility for the rental of housing that is not based on the portion of the rent to be paid by the tenant. FEHA requires the Civil Rights Department to enforce specific provisions of the act, including the provision described above. This bill would additionally prohibit the use of a person's credit history as part of the application process for a rental housing accommodation without offering the applicant the option of providing lawful, verifiable alternative evidence of the applicant's reasonable ability to pay the portion of the rent to be paid by the tenant, including, but not limited to, government benefit payments, pay records, and bank statements, in instances in which there is a government rent subsidy.

SB 567 (Durazo) Termination of tenancy: no-fault just causes: gross rental rate increases

Status: 9/30/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 290, Statutes of 2023

Sponsor: Public Advocates, Leadership Council for Justice and Accountability, California Rural Legal Assistance Foundation, PICO California, Western Center on Law and Poverty, ACCE

Summary: Current law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, prohibits the owner of the residential real property from terminating the tenancy without just cause and requires that just cause to be stated in the written notice to terminate tenancy. Current law distinguishes between at-fault just cause and no-fault just cause and defines no-fault just cause to mean intent to occupy the residential real property by the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents, withdrawal of the residential real property from the rental market, the owner complying with specified government orders that necessitate vacating the real property, and intent to demolish or to substantially remodel the residential real property. This bill would, with respect to the no-fault just cause related to an eviction based on an intent to occupy the residential real property, require, among other things, that the owner, as defined, or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents occupy the residential real property for a minimum of 12 continuous months as the person's primary residence, as provided.

Utilities and Emergency Preparedness

SB 355 (Eggman) Multifamily Affordable Housing Solar Roofs Program

Status: 10/7/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 393, Statutes of 2023

Summary: Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law establishes the Multifamily Affordable Housing Solar Roofs Program. Existing law requires the commission, beginning with the 2016–17 fiscal year and ending with the 2019–20 fiscal year, to authorize the annual allocation of certain amounts of moneys for the program. Existing law requires

the commission to continue authorizing the allocation of those moneys through June 30, 2026, if the commission determines that revenues are available and that there is adequate interest and participation in the program. Existing law requires the commission, as part of the program, to award monetary incentives for qualifying solar energy systems, as defined, that are installed on multifamily residential buildings of at least 5 rental housing units that are operated to provide deed-restricted low-income residential housing, as defined, and that meet one or more specified requirements, including that at least 80% of the households have incomes at or below 60% of the area median income, through December 31, 2030. This bill would expand those specified requirements to, among other things, include properties in which at least 66% of the households have incomes at or below 80% of the area median income, properties owned by a tribe, as defined, and rental housing properties owned by public housing agencies or authorities, as defined. The bill would extend the requirement that the commission award monetary incentives for those solar energy systems through December 31, 2032. If those multifamily residential properties are new construction, the bill would prohibit using moneys authorized through the program to meet specified regulatory requirements. The bill would authorize the commission to consider authorizing an advance payment loan to an eligible project if there is reasonable evidence to suggest that an advance payment loan would lead to the delivery of a project that would not occur absent the advance payment loan, as specified. This bill contains other related provisions and other existing laws.

SB 410 (Becker) Powering Up Californians Act

Status: 10/7/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 394, Statutes of 2023

Sponsor: Coalition of California Utility Employees

Summary: Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in collaboration with the State Air Resources Board, the Public Utilities Commission (PUC), and other relevant stakeholders, to annually gather from state agencies, as provided, specified entities' fleet data for on-road and off-road vehicles in the medium- and heavy-duty sectors and share that data with electrical corporations to help inform electrical grid planning efforts, as specified. Current law requires electrical corporations, as part of their distribution planning processes, to consider that produced fleet data, and other available data, to facilitate the readiness of their distribution systems to support the state's anticipated level of electric vehicle charging, as specified. This bill, the Powering Up Californians Act, would require the PUC to establish, on or before September 30, 2024, reasonable average and maximum target energization time periods, as defined, and a procedure for customers to report energization delays to the PUC, as provided. The bill would require the PUC to require the electrical corporation to take remedial actions necessary to achieve the PUC's targets and would require all reports to be publicly available, among other reporting requirements.

Veterans

AB 1386 (Gabriel) Veteran's housing: tenant referrals

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 760, Statutes of 2023

Summary: The Veterans Housing and Homeless Prevention Act of 2014 requires the California Housing Finance Agency, the Department of Housing and Community Development, and the Department of Veterans Affairs (referred to collectively as "the departments") to establish and implement programs that focus on veterans at risk for homelessness or experiencing temporary or chronic homelessness, as specified. In this regard, current law requires the departments to establish and implement programs that, among other things, ensure projects combine housing and supportive services. Current law requires the departments to ensure at least 50% of funds awarded for capital development are used to provide housing to veterans with extremely low incomes, and requires that at least 60% of units funded targeting extremely low income households are supportive housing. This bill would authorize an entity tasked with making referrals of units targeted to extremely low income households to submit a petition to the departments requesting authority to lease the qualified unit to a secondary tenant, as defined, if a qualified entity is unable to locate, match, or otherwise place a qualified tenant in a qualified unit within 60 days of the unit becoming available. The bill would require a qualified unit that is leased to a secondary tenant to be redesignated to an area median income level commensurate with the income level of the secondary tenant and would require the secondary tenant to pay rent commensurate with their household income's percentage of the area medium income. The bill would, 12 months after a petition is approved, require the next available comparable unit to be rented to a qualified tenant at 30% of the median income.

AB 1474 (Reyes) California Statewide Housing Plan

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State - Chapter 762, Statutes of 2023

Summary: Current law establishes the California Statewide Housing Plan, developed in cooperation with the private housing industry, regional and local housing and planning agencies, and other agencies of the state, to serve as a state housing plan. Current law requires the plan to incorporate specified segments, including, among others, a housing strategy that coordinates the housing assistance and activities of state and local agencies, including the provision of housing assistance for various population groups, including, but not limited to, elderly persons, persons with disabilities, and other specific population groups as deemed appropriate by the department. This bill would add veterans to the list of population groups included in the housing strategy described above. The bill would require the department to also consult with the Department of Veterans Affairs in developing the housing strategy, to the extent possible. This bill would incorporate additional changes to Section 50423 of the Health and Safety Code proposed by AB 1764 to be operative only if this bill and AB 1764 are enacted and this bill is enacted last.

SB 82 (Seyarto) Property taxation: disabled veterans' exemption: eligibility letters

Status: 10/11/23 Approved by the Governor. Chaptered by Secretary of State. Chapter 773, Statutes of 2023

Summary: Current property tax law provides, pursuant to the authorization of the California Constitution, a disabled veteran's property tax exemption for the principal place of residence of a veteran or a veteran's spouse, including an unmarried surviving spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs, or is totally disabled, as those terms are defined, or if the veteran has, as a result of a service-connected injury or disease, died while on active duty in military service. This bill would require a county assessor to accept an electronically generated letter of service-connected disability, as defined, in lieu of an original letter of service-connected disability, at the discretion of the claimant, for purposes of verifying eligibility for the above-described exemption.

VETOED BILLS

AB 1085 (Maienschein) Medi-Cal: housing support services

Status: 10/7/23 – Vetoed by Governor

Sponsor: Corporation for Supportive Housing, Western Center on Law and Poverty

Summary: Current law, subject to implementation of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, authorizes a Medi-Cal managed care plan to elect to cover community supports approved by the department as cost effective and medically appropriate in a comprehensive risk contract that are in lieu of applicable Medi-Cal state plan services. Under current law, community supports that the department is authorized to approve include, among other things, housing transition navigation services, housing deposits, and housing tenancy and sustaining services. Existing law, subject to an appropriation, requires the department to complete an independent analysis to determine whether network adequacy exists to obtain federal approval for a covered Medi-Cal benefit that provides housing support services. Current law requires that the analysis take into consideration specified information, including the number of providers in relation to each region's or county's number of people experiencing homelessness. Current law requires the department to report the outcomes of the analysis to the Legislature by January 1, 2024. This bill would delete the requirement for the department to complete that analysis, and instead would make housing support services for specified populations a covered Medi-Cal benefit when the department has begun a specified evaluation required under the CalAIM Waiver Special Terms and Conditions, and the Legislature has made an appropriation for purposes of the housing support services. The bill would require the department to seek federal approval for the housing support services benefit, as specified. Under the bill, subject to an appropriation by the Legislature, a Medi-Cal beneficiary would be eligible for those services if they either experience homelessness or are at risk of homelessness. Under the bill, the services would include housing transition and navigation services, housing deposits, and housing tenancy and sustaining services, as defined.

AB 1215 (Carrillo) Pets Assistance with Support Grant Program: homeless shelters: domestic violence shelters: pets

Status: 10/7/23 Vetoed by Governor

Sponsor: Humane Society of the United States, Los Angeles Homeless Services Authority, PATH (People Assisting the Homeless)

Summary: Would require the Department of Housing and Community Development, upon appropriation by the Legislature, to develop and administer the Pets Assistance With Support Grant Program (PAWS), to award grants to qualified homeless shelters and qualified domestic violence shelters, as defined. The bill would require grant recipients to meet certain availability and service requirements as they relate to the pets of people experiencing homelessness and people escaping domestic violence. The bill would authorize the department to use up to 7% of the funds appropriated in the annual Budget Act for those purposes for its costs in administering the program.

SB 773 (Glazer) CalWORKS: homeless assistance**Status:** 10/7/23 Vetoed by the Governor

Summary: Current law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals. Current law provides for homeless assistance to a homeless family seeking shelter when the family is eligible for CalWORKs aid, including a nonrecurring special needs benefit of \$85 a day to families of up to 4 members for the costs of temporary shelter, and a nonrecurring special needs benefit for permanent housing assistance to pay for last month's rent and security deposits if these payments are conditions of securing a residence, or to pay for up to 2 months of rent arrearages, if these payments are a reasonable condition of preventing eviction. Current law prohibits the last month's rent or monthly arrearage portion of the payment from exceeding 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size, and requires it be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size. This bill, beginning January 1, 2025, or when specified automation processes are available, and for purposes of determining the family's total monthly household income for the permanent housing assistance, would require the county human services agency to include any amount that is regularly received from other government and nonprofit housing and homeless subsidy programs and any regularly received private support intended or designed to help the family with housing. The bill, beginning January 1, 2025, or when specified automation processes are available, upon application for temporary or permanent homeless assistance, would require the county to refer the assistance unit to any other homeless assistance services provided under the CalWORKs program and would authorize the county to give priority to the assistance unit for those services.

SB 17 (Caballero) Senior housing: tax credits**Status:** 10/7/23 Vetoed by the Governor**Sponsor:** Leading Age

Summary: Current law, enacted to implement a specified low-income housing tax credit established by federal law, requires the California Tax Credit Allocation Committee to annually determine and allocate the state ceiling in accordance with those provisions and in conformity with federal law. Current law authorizes the committee to adopt, amend, or repeal rules and regulations for the allocation of housing credits. Current law requires that specified amounts of the low-income housing tax credits be set aside for allocation to rural areas, small developments, and farmworker housing, as specified. This bill would require the committee to revise its regulations to increase the housing type goal for senior developments to 20 percent.

AB 309 (Lee) The Social Housing Act**Status:** 10/7/23 Vetoed by Governor**Sponsor:** East Bay for Everyone

Summary: Would enact the Social Housing Act and would create, in the Department of General Services, the Social Housing Program, the mission of which would be to ensure that qualified social housing developments are produced on leased state property to help address the housing crisis, as specified. The bill would authorize the program to identify and develop up to 3 qualified social housing projects, as specified, with the intent to use the results to inform public policy related to developing an independent public entity to develop statewide qualified social housing. The bill would require the program to solicit bids to develop qualified social housing units, and prioritize bids that demonstrate long-term revenue neutrality or a cost rent model, as those terms are defined. The bill would require the program to employ 2 different leasing models, the rental model and the ownership model, as specified, in creating social housing. The bill would prohibit a city or county from denying a social housing development authorized under the program. The bill would authorize a city or county to propose objective design review standards, as specified, and authorize a city or county to propose modifications to mitigate any specific, adverse impacts on public health or safety, as specified.

SB 18 (McGuire) Housing programs: Tribal Housing Reconstruction and Resiliency Act

Status: 10/7/23 Vetoed by the Governor. In Senate

Summary: Would enact the Tribal Housing Reconstitution and Resiliency Act and would create the Tribal Housing Grant Program Trust Fund to be administered by the Department of Housing and Community Development. The bill would require the fund, upon annual appropriation from the Legislature, to be allocated in accordance with a specified formula, as provided. This bill would authorize the funds to be allocated for specific purposes, including, among others, housing and housing-related program services for affordable housing, housing and community development project costs, and management services for affordable housing. The bill would require the funds to be allocated only for the benefit of eligible beneficiaries, including, among others, Indian and essential families and individuals residing in an Indian area, as defined.

AB 371 (Garcia) Housing programs: tribal housing program

Status: 10/7/23 Vetoed by Governor

Sponsor: Pala Band of Mission Indians

Summary: Current law sets forth the general responsibilities and roles of the Business, Consumer Services, and Housing Agency, the Department of Housing and Community Development (department), and the California Housing Finance Agency in carrying out state housing policies and programs. The G. David Singleton California Indian Assistance Program requires the department to provide comprehensive technical assistance to tribal housing authorities, housing sponsors, and governmental agencies on reservations, rancherias, and on public domain to facilitate the planning and orderly development of suitable, decent, safe, and sanitary housing for American Indians residing in these areas. Upon request of the governing body of a reservation or rancheria, existing law authorizes the department to act on behalf of the tribal housing authority and perform the functions thereof. This bill would remove the authority for the

department to act on behalf of the tribal housing authority. The bill would also require the department to provide comprehensive technical assistance to tribes, designated tribal housing entities, and tribal housing departments on reservations, rancherias, and on public domain, and tribes that want to participate in tribal housing grant programs on fee simple land.

AB 589 (Boerner) Homeless youth: transitional housing

Status: 10/7/23 Vetoed by Governor

Summary: Current law establishes homeless youth emergency service pilot projects in the City of Los Angeles and the City and County of San Francisco providing services to homeless minors, including food and access to an overnight shelter and counseling to address immediate emotional crises or problems. Current law also requires similar programs to be established in the Counties of San Diego and Santa Clara, and all of these programs to be operated by an agency in accordance with a grant award agreement with the Office of Emergency Services. This bill, until January 1, 2027, and upon appropriation by the Legislature for these purposes, would require the Department of Housing and Community Development to establish the Unicorn Homes Transitional Housing for Homeless LGBTQ+ Youth Program, to be administered by local community-based organizations that provide a majority of its services to the LGBTQ+ community.