

Legislative Update

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State Budget



STATE BUDGET PROCESS



HOUSING AND HOMELESSNESS IN STATE BUDGET



May 14 Governor's May Revise

Housing Proposals:

- New Housing and Homelessness Agency
- Streamlining Housing Development

Homelessness:

- Encampment Resolution Initiative

June 15 2-Way Budget





S t a t e
L e g i s l a t i v e
S e s s i o n



STATE LEGISLATIVE PROCESS



Jan 6
Beginning of
Legislative
Session

Feb 21
Last Day
for Bill
Introductions

May 2
Last Day for Policy
Committees to
hear most bills

May 23
Last Day for bills
to clear Fiscal
Committees

Jun 6
Last Day for Bills
to Pass House of
Origin

Aug 29
Last Day for bills
to clear Fiscal
Committees

Jul 18
Last Day for Policy
Committees to
hear most bills

Sep 12
Last Day for Bills
to Pass Second
House

We are here

First House

Second House



DIRECT IMPACT TO CALHFA INTRODUCED



- **AB 57 (McKinnor)** creates set-aside for descendants of formerly enslaved persons within Dream for All
- **AB 595 (Carrillo)** directs STO to develop a homeownership expansion plan focused on moderate- and middle-income Californians
- **SB 750 (Cortese)** creates a state-backed construction loan program at CalHFA to support multifamily housing development
- **Governor's Reorganization Plan** proposes new state agency for Housing and Homelessness under the 2025-26 budget





Federal Update



FEDERAL LEGISLATION



➤ **Affordable Housing Credit Improvement Act (AHCIA)**

Expands affordable rental housing by strengthening and streamlining LIHTC

➤ **Affordable Housing Bond Enhancement Act (AHBEA)**

Increases housing access by modernizing bond tools and homebuyer assistance programs

➤ **Neighborhood Homes Investment Act (NHIA)**

Creates a new tax credit to build and rehab affordable homes in distressed neighborhoods



FEDERAL BUDGET



FY 2026 “SKINNY” BUDGET RELEASED

+ \$119 billion (+13%) defense spending

– \$163 billion (–17%) non-defense discretionary spending

- Elimination of CDBG and HOME
- Consolidation of rental assistance programs into single formula-based grant to states
- Elimination of CDFI Fund’s discretionary awards
- Elimination of LIHEAP, NeighborWorks America, and USICH
- Cuts to IRA programs, including GGRF
- Modest increase to rural rental assistance

