

SB 3 (Beall)
Affordable Housing Bond Act of 2018
Introduced December 5, 2016

ISSUE

This bill seeks to provide \$3 billion through a statewide housing bond to fund existing critical and successful affordable housing programs in California.

BACKGROUND

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. Units affordable to low-income earners, if available, are often in serious states of disrepair.

California also faces a housing shortage: 2.2 million extremely low-income and very low-income renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California's lowest income households without access to housing.

As a result, low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Many renters must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

California has seen a significant reduction of state funding in recent years. The funds from Proposition 46 of 2002 and Proposition 1C in 2006 -- totaling nearly \$5 billion for a variety of affordable housing programs -- have been expended. Combined with the loss of redevelopment funds, \$1.5 billion of annual state investment dedicated to housing has been lost, leaving several critical housing programs unfunded.

THIS BILL

This \$3 billion statewide housing general obligation bond, similar to Props 46 and 1C, funds existing and successful affordable housing programs in California, with the intent of addressing the shortage of housing stock. This bond will fund the following existing state programs:

- Multifamily Housing
- CalHome
- Joe Serna Farmworker Housing

- Local Housing Trust Fund Matching Grant
- Building Equity and Growth in Neighborhoods (BEGIN)
- Transit-Oriented Development
- Infill Infrastructure Financing

The programs in this bond specifically fund the construction, rehabilitation, and preservation of housing for those at risk of or currently experiencing homelessness and low-income earners, as well as create more homeownership opportunities for low- and moderate-income earners.

Investing in affordable housing will save Californians money. For every \$.70 of state investment, California can leverage \$3 in federal funds. Taken together with an additional \$11 billion in leveraged federal funding, this bond bill will result in:

- 147,000 jobs
- More than \$9 billion in labor income
- \$24.5 billion in economic activity
- \$1.1 billion in additional local and state taxes & fee revenue

As demonstrated through Prop 46 and Prop 1C and the 183,000 units they created, this bond will have a real and lasting impact on the housing shortage and match recent local efforts to fund housing through the passage of local housing bonds.

STATUS/VOTES

Introduced – December 5, 2016

SUPPORT

None received.

OPPOSITION

None received.

FOR MORE INFORMATION

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