

AMENDED IN ASSEMBLY APRIL 17, 2023

CALIFORNIA LEGISLATURE—2023—24 REGULAR SESSION

ASSEMBLY BILL

No. 1657

Introduced by Assembly Member Wicks

(Principal coauthors: Senators Becker and Wiener)

**(Coauthors: Assembly Members Friedman, Kalra, Robert Rivas,
Schiavo, and Ward)**

(Coauthors: Senators Cortese, Dodd, and Smallwood-Cuevas)

February 17, 2023

An act to add Part 16.1 (commencing with Section 54050) to Division 31 of the Health and Safety Code, relating to housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1657, as amended, Wicks. The Affordable Housing Bond Act of 2024.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law and requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Affordable Housing Bond Act of 2024, which, if adopted, would authorize the issuance of bonds in the amount of \$_____ \$10,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance programs to fund affordable rental housing and homeownership programs, ~~as provided.~~ *including, among others, the Multifamily Housing Program, the CalHome Program, and the Joe Serna, Jr. Farmworker Housing Grant Program.*

This bill would provide for submission of the bond act to the voters at the ~~November~~ *March 5, 2024*, statewide general election in accordance with specified law.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 16.1 (commencing with Section 54050) is
2 added to Division 31 of the Health and Safety Code, to read:

3
4 PART 16.1. AFFORDABLE HOUSING BOND ACT OF 2024

5
6 CHAPTER 1. GENERAL PROVISIONS

7
8 54050. This part shall be known as the Affordable Housing
9 Bond Act of 2024.

10 54051. This part shall only become operative upon adoption
11 by the voters at the ~~November~~ *March 5, 2024*, statewide general
12 election.

13 54052. For purposes of this part, “fund” means the Affordable
14 Housing Bond Act Trust Fund of 2024 created pursuant to Section
15 54054.

16
17 CHAPTER 2. AFFORDABLE HOUSING BOND ACT TRUST FUND
18 OF 2024 AND PROGRAM

19
20 54054. (a) The Affordable Housing Bond Act Trust Fund of
21 2024 is hereby created within the State Treasury. It is the intent
22 of the Legislature that the proceeds of bonds, exclusive of

1 refunding bonds issued pursuant to Section 54076, be deposited
2 in the fund and used to fund affordable rental housing and
3 homeownership programs.

4 ~~(b) It is the intent of the Legislature to further determine the~~
5 ~~allocation of these funds to specific programs.~~

6 *(b) The proceeds of bonds issued and sold pursuant to this part*
7 *for the purposes specified in this chapter shall be allocated in the*
8 *following manner:*

9 *(1) Five billion two hundred fifty million dollars*
10 *(\$5,250,000,000) to be deposited in the Housing Rehabilitation*
11 *Loan Fund established pursuant to Section 50661 to be used for*
12 *the Multifamily Housing Program authorized by Chapter 6.7*
13 *(commencing with Section 50675) of Part 2. At least 10 percent*
14 *of assisted units in each development receiving these funds shall*
15 *be affordable to extremely low income households.*

16 *(2) One billion seven hundred fifty million dollars*
17 *(\$1,750,000,000) to be deposited in the Housing Rehabilitation*
18 *Loan Fund established pursuant to Section 50661 to be used for*
19 *supportive housing, as defined in Section 50675.14, pursuant to*
20 *the Multifamily Housing Program authorized by Chapter 6.7*
21 *(commencing with Section 50675) of Part 2. The department shall*
22 *offer capitalized operating subsidy reserves for supportive housing*
23 *units in developments receiving these funds.*

24 *(3) One billion five hundred million dollars (\$1,500,000,000),*
25 *to be appropriated by the Legislature, to preserve or rehabilitate*
26 *existing subsidized or unsubsidized rental housing through the*
27 *following programs:*

28 *(A) The program commonly known as the Portfolio Reinvestment*
29 *Program established pursuant to Chapter 5.5 (commencing with*
30 *Section 50606) of Part 2.*

31 *(B) The Energy Efficiency Low-Income Weatherization Program*
32 *established pursuant to Section 12087.5 of the Government Code.*

33 *(C) A program, to be administered by the Department of*
34 *Housing and Community Development, to fund the acquisition and*
35 *rehabilitation of unrestricted housing units and attach long-term*
36 *affordability restrictions on the housing units, while safeguarding*
37 *against the displacement of current residents. It is the intent of the*
38 *Legislature that the specific criteria establishing eligibility for and*
39 *use of the funds shall be established in statute.*

1 (4) One billion dollars (\$1,000,000,000), to be appropriated by
2 the Legislature, to provide homeownership opportunities through
3 the following programs:

4 (A) The CalHome Program established pursuant to Chapter 6
5 (commencing with Section 50650) of Part 2.

6 (B) The home purchase assistance program established pursuant
7 to Chapter 6.8 (commencing with Section 51341) of Part 3.

8 (5) Five hundred million dollars (\$500,000,000), to be
9 appropriated by the Legislature, for the following programs:

10 (A) The Joe Serna, Jr. Farmworker Housing Grant Program
11 pursuant to Chapter 3.2 (commencing with Section 50515.2) of
12 Part 2.

13 (B) A dedicated, flexible, and comprehensive state program
14 designed for, and in consultation with, tribes, which shall be
15 administered by the Department of Housing and Community
16 Development, to finance housing and housing-related activities
17 that will enable tribes to rebuild and reconstitute their
18 communities. It is the intent of the Legislature that the specific
19 criteria establishing eligibility for and use of the funds shall be
20 established in statute.

21 54056. (a) The Legislature may, from time to time, amend
22 any law related to programs to which funds are, or have been,
23 allocated pursuant to this chapter for the purposes of improving
24 the efficiency and effectiveness of those programs or to further
25 the goals of those programs.

26 (b) The Legislature may amend this chapter to reallocate the
27 proceeds of bonds issued and sold pursuant to this part among the
28 programs to which funds are to be allocated pursuant to this chapter
29 as necessary to effectively promote the development of affordable
30 housing in this state.

31 (c) The Department of Housing and Community Development
32 may disburse any funds made available to housing development
33 projects pursuant to this chapter during the construction period.

34
35 CHAPTER 3. FISCAL PROVISIONS

36
37 54060. Bonds in the total amount of _____ ten billion dollars
38 (\$ _____), (\$10,000,000,000), exclusive of refunding bonds issued
39 pursuant to Section 54076, or so much thereof as is necessary as
40 determined by the committee, are hereby authorized to be issued

1 and sold for carrying out the purposes expressed in this part and
2 to reimburse the General Obligation Bond Expense Revolving
3 Fund pursuant to Section 16724.5 of the Government Code. All
4 bonds herein authorized that have been duly issued, sold, and
5 delivered as provided herein shall constitute valid and binding
6 general obligations of the state, and the full faith and credit of the
7 state is hereby pledged for the punctual payment of both principal
8 of and interest on those bonds when due.

9 54062. The bonds authorized by this part shall be prepared,
10 executed, issued, sold, paid, and redeemed as provided in the State
11 General Obligation Bond Law (Chapter 4 (commencing with
12 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
13 Code), except subdivisions (a) and (b) of Section 16727 of the
14 Government Code, and all of the provisions of that law as amended
15 from time to time apply to the bonds and to this part, except as
16 provided in Section 54078, and are hereby incorporated in this
17 part as though set forth in full in this part.

18 54064. (a) Solely for the purpose of authorizing the issuance
19 and sale, pursuant to the State General Obligation Bond Law, of
20 the bonds authorized by this part, the committee is continued in
21 existence. For the purposes of this part, the Housing Finance
22 Committee is “the committee” as that term is used in the State
23 General Obligation Bond Law.

24 (b) For the purposes of the State General Obligation Bond Law,
25 the Department of Housing and Community Development is
26 designated the “board” for programs administered by the
27 department, and the California Housing Finance Agency is the
28 “board” for programs administered by the agency.

29 54066. Upon request of the board stating that funds are needed
30 for purposes of this part, the committee shall determine whether
31 or not it is necessary or desirable to issue bonds, and, if so, the
32 amount of bonds to be issued and sold. Successive issues of bonds
33 may be authorized and sold to carry out those actions progressively,
34 and are not required to be sold at any one time. Bonds may bear
35 interest subject to federal income tax.

36 54068. There shall be collected annually, in the same manner
37 and at the same time as other state revenue is collected, a sum of
38 money in addition to the ordinary revenues of the state, sufficient
39 to pay the principal of, and interest on, the bonds each year. It is
40 the duty of all officers charged by law with any duty in regard to

1 the collections of state revenues to do or perform each and every
2 act that is necessary to collect that additional sum.

3 54070. Notwithstanding Section 13340 of the Government
4 Code, there is hereby continuously appropriated from the General
5 Fund in the State Treasury, for the purposes of this part, an amount
6 that will equal the total of both of the following:

7 (a) The sum annually necessary to pay the principal of, and
8 interest on, bonds issued and sold pursuant to this part, as the
9 principal and interest become due and payable.

10 (b) The sum that is necessary to carry out Section 54074,
11 appropriated without regard to fiscal years.

12 54072. The board may request the Pooled Money Investment
13 Board to make a loan from the Pooled Money Investment Account,
14 in accordance with Section 16312 of the Government Code, for
15 purposes of this part. The amount of the request shall not exceed
16 the amount of the unsold bonds that the committee has, by
17 resolution, authorized to be sold, excluding any refunding bonds
18 authorized pursuant to Section 54076, for purposes of this part,
19 less any amount loaned pursuant to this section and not yet repaid
20 and any amount withdrawn from the General Fund pursuant to
21 Section 54074 and not yet returned to the General Fund. The board
22 shall execute any documents as required by the Pooled Money
23 Investment Board to obtain and repay the loan. Any amount loaned
24 shall be deposited in the fund to be allocated in accordance with
25 this part.

26 54074. For purposes of carrying out this part, the Director of
27 Finance may, by executive order, authorize the withdrawal from
28 the General Fund of an amount or amounts not to exceed the
29 amount of the unsold bonds that the committee has, by resolution,
30 authorized to be sold, excluding any refunding bonds authorized
31 pursuant to Section 54076, for purposes of this part, less any
32 amount loaned pursuant to Section 54072 and not yet repaid and
33 any amount withdrawn from the General Fund pursuant to this
34 section and not yet returned to the General Fund. Any amounts
35 withdrawn shall be deposited in the fund to be allocated in
36 accordance with this part. Any moneys made available under this
37 section shall be returned to the General Fund, plus the interest that
38 the amounts would have earned in the Pooled Money Investment
39 Account, from moneys received from the sale of bonds that would
40 otherwise be deposited in that fund.

1 54076. The bonds may be refunded in accordance with Article
2 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
3 Division 4 of Title 2 of the Government Code. Approval by the
4 electors of this act shall constitute approval of any refunding bonds
5 issued to refund bonds issued pursuant to this part, including any
6 prior issued refunding bonds. A bond refunded with the proceeds
7 of a refunding bond as authorized by this section may be legally
8 defeased to the extent permitted by law in the manner and to the
9 extent set forth in the resolution, as amended from time to time,
10 authorizing that refunded bond.

11 54078. Notwithstanding any provisions in the State General
12 Obligation Bond Law, the maturity date of bonds authorized by
13 this part shall not be later than 35 years from the date of each bond.
14 The maturity of each series shall be calculated from the date of
15 issuance of each bond.

16 54080. The Legislature hereby finds and declares that,
17 inasmuch as the proceeds from the sale of bonds authorized by
18 this part are not “proceeds of taxes” as that term is used in Article
19 XIII B of the California Constitution, the disbursement of these
20 proceeds is not subject to the limitations imposed by that article.

21 54082. Notwithstanding any provision of the State General
22 Obligation Bond Law with regard to the proceeds from the sale of
23 bonds authorized by this part that are subject to investment under
24 Article 4 (commencing with Section 16470) of Chapter 3 of Part
25 2 of Division 4 of Title 2 of the Government Code, the Treasurer
26 may maintain a separate account for investment earnings, may
27 order the payment of those earnings to comply with any rebate
28 requirement applicable under federal law, and may otherwise direct
29 the use and investment of those proceeds so as to maintain the
30 tax-exempt status of tax-exempt bonds and to obtain any other
31 advantage under federal law on behalf of the funds of this state.

32 54084. (a) Subject to subdivision (b), all moneys derived from
33 premiums and accrued interest on bonds sold pursuant to this part
34 shall be transferred to the General Fund as a credit to expenditures
35 for bond interest.

36 (b) Amounts derived from premiums may be reserved and used
37 to pay the costs of bond issuance before transfer to the General
38 Fund.

1 SEC. 2. Section 1 of this act shall become operative upon the
2 adoption by the voters of the Affordable Housing Bond Act of
3 2024.

4 SEC. 3. Section 1 of this act shall be submitted to the voters
5 at the ~~November~~ *March 5, 2024*, statewide election in accordance
6 with provisions of the Government Code and the Elections Code
7 governing the submission of a statewide measure to the voters.

8 SEC. 4. This act is an urgency statute necessary for the
9 immediate preservation of the public peace, health, or safety within
10 the meaning of Article IV of the California Constitution and shall
11 go into immediate effect. The facts constituting the necessity are:

12 In order to maximize the time available for the analysis and
13 preparation of the proposed issuance of bonds pursuant to this act,
14 it is necessary that this act take effect immediately.