



## HOUSING AFFORDABILITY

The cost of housing — both for homeowners and renters — is the defining quality-of-life concern for people across this state. In order to increase housing supply, Governor Newsom and the Legislature are investing historic levels of state resources, accelerating the construction of new housing, and supporting local governments to ensure adequate numbers of housing units are zoned to meet local needs.

### **The Budget invests in the production and planning of new housing as well as provides resources for renters.**

- \$1.75 billion to support local governments to increase housing production.
  - \$500 million for the Infill Infrastructure Grant program to remove barriers to build housing.
    - Under the augmented Infill Infrastructure Grant Program, local government and developers can partner to apply for infrastructure funding.
  - \$500 million to jumpstart the California Housing Financing Agency's loan program to support the development of affordable housing for low- and moderate-income families.
  - \$500 million expansion of the state low-income housing tax credit program.
    - This tax credit will leverage hundreds of millions in private capital, underutilized federal tax credits, and private activity bonds.
    - A portion of this tax credit will finance mixed-income projects serving a broad range of incomes, up to 120% AMI.
  - \$250 million to cities and counties for planning and technical assistance to support housing production.
- To assist renters, the Budget includes \$20 million to provide legal aid for renters and assist with landlord-tenant disputes, including legal assistance for counseling, renter education programs, and preventing evictions.
- Additionally, the Budget makes it possible for SROs and other existing low-income housing to qualify for preservation/rehab tax credits under the existing low-income housing tax credit program.



**The Governor is deploying existing resources to support the development of and create new opportunities for new housing production.**

- The California voters passed bond funds to increase affordable housing, and the Governor has tasked the Department of Housing and Community Development with seeking opportunities to accelerate the issuance of these funds.
  - The Governor deployed over \$500 million through the “No Place Like Home” program, to fund permanent supportive housing and services for people with mental illness that are homeless or at risk of homelessness.
  - The Governor will deploy over \$1 billion in Proposition 1 bond funds for infill infrastructure grants, housing-assistance programs for veterans, down payment assistance, and affordable housing development.
- The Governor issued an executive order on the use of excess state property to provide low-cost long-term ground leases for innovative approaches to affordable housing development.
  - Nearly 20 cities and counties have stepped up to partner, including: Sacramento, Chico, Fresno, Oakland, San Francisco, San Diego, Los Angeles, Long Beach, and Stockton.
  - The first RFPs will be released in September 2019.

**The Governor is taking new measures to hold local jurisdictions accountable to build housing to meet demand.**

- Implementing a housing accelerator program, which incentivizes pro-housing policies and holds non-compliant cities and counties accountable:
  - Incentivize jurisdictions to adopt pro-housing policies by providing bonus points and scoring preferences for certain competitive grant programs. Pro-housing policies could include local financial incentives, reduced parking requirements, reduction of development impact fees, and by-right zoning.
  - Give the courts new powers to hold persistently non-compliant cities and counties accountable to meet their housing goals including escalating fines and authority to appoint an agent of the court to take actions necessary to bring a jurisdiction into compliance.



- Sued the city of Huntington Beach and put 47 additional cities on notice that were out of compliance. Since then:
  - Five cities have come into compliance: Clovis, Soledad, Jurupa Valley, Paramount and Orange Cove and the cities of Fillmore and Encinitas are getting close.
  - Nearly half of the remaining cities have shown meaningful progress to getting to compliance.
- Continues to press the Legislature to pass rent stabilization and tenant protection legislation.
- Will initiate new statewide assessment of regional housing needs, performed in partnership with local governments, to maximize the number of new homes that California's cities and counties plan for and zone.