

CalRHA Legislative Updates



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Budget Update

Governor Newsom unveiled his 2022-23 proposed state budget on January 10th. Shortly thereafter, the Business Consumer Services and Housing Agency conducted a stakeholder call where they highlighted aspects of the Governor's 2022-23 Proposed Budget specific to housing. Several of highlights are included below:



CA Governor
Gavin Newsom

- Budget includes over \$1 billion to accelerate housing - especially in downtown oriented places. Investments in the budget have twin goals of housing production and climate change.
- Budget will continue to help ADU production, as CalHFA is rolling out an ADU grant program this year
- \$500 million in Infill Infrastructure Grant Program
- \$100 million to convert commercial facilities into housing as well as state-owned housing
- \$200 million to preserve units in urban areas, including retrofits and electrification
- \$100 million for improvements to mobile homes
- \$200 million for Mixed Income Housing via loans to developers for mixed-income rental housing for households with incomes between 30-120% AMI
- \$500 million for the State Low Income Housing Tax Credit program
- \$1 billion for Mortgage Relief - Reinstatement program that covers up to \$80,000 of past mortgage relief.

For additional proposed 2022-23 state housing budget details, please visit: <https://www.ebudget.ca.gov/2022-23/pdf/BudgetSummary/HousingandHomelessness.pdf>

Legislative Update

The Legislature reconvened on Monday, January 3rd. The Speaker announced several committee changes. In particular, Assemblymember Buffy Wicks was named Chair of the Assembly Housing and Community Development Committee.



CA Assemblymember
Buffy Wicks

Additionally, Assemblymember Maienschein was removed from the Housing Committee, while Assemblymembers Chris Ward and Wendy Carillo (both Democrats) were added. Therefore, there is an additional Democrat and the make-up of the committee is now six Democrats and two Republicans.

On the first day back from session, the Assembly Appropriations Chair, Lorena Gonzalez, announced her resignation to join the Labor Federation. Assemblymember Chris Holden has been named the new Chair of the Appropriations Committee.



CA Assemblymember
Chris Holden

There are several two-year priority bills that have been set for committee hearings in January and which would need to pass by their house of origin by end of the month, including:

- **AB 916 (Salas)** - The CalRHA sponsored bill, which would streamline bedroom construction by eliminating public hearings and increase ADU height limits from 16 feet to 18 feet on parcels that are multistory and multifamily. The bill is set in Assembly Housing and Local Government Committees on January 12th. YIMBY, SPUR, and the Housing Building Alliance all joined CalRHA in support of the bill.
- **AB 834 (Lee)** - Withdrawal of Accommodations. AB 834 prohibits property owners who have owned rental accommodations for less than five

years from using or threatening to use the Ellis Act to withdraw rental accommodations and places other limits on the use of the Ellis Act. CalRHA is part of a larger coalition opposing the bill before its hearing in the Assembly Housing Committee on January 12th.

- **AB 1241 (Jones-Sawyer)** - Ban the Box for Rental Applications. Fortunately, we have heard that the author will be pulling this bill from the Housing committee hearing, which is the first CalRHA legislative victory of the year.

The deadline for new bills to be introduced is February 18, 2022, after which time we will have a better sense of most of the legislative fights we will be facing next year. In the meantime, Senator Glazer and forty other Legislators will be introducing a bill to increase the renters tax credit. Under the bill, more than 2 million renters



CA Senator
Steve Glazer

would get much needed financial relief. The bill would increase the renter's credit for the first time since 1979 and reform the credit to give more help to single parents and the most vulnerable Californians.

Rent Assistance Update

Since the state applied to the U.S. Treasurer for \$1.9 billion in rent assistance money from the pot that is being reallocated from other states, the state has been awarded \$65 million for their first allocation and are in the process of submitting another request due at the end of the month.



As of January 11th, the state has given out over \$1.7 billion in rent relief, out of the nearly \$6.88 billion requested. CalRHA continues to work with HCD on the implementation and advocate for more funding to the program. For more information, please visit *Housing is Key* <https://housing.ca.gov/>.



ADDENDUM: Stakeholder phone call with the Business Consumer Services & Housing Agency highlighting aspects of Governor Newsom 2022-23 Proposed State Budget on housing.

Panelists on the call and their comments included:

Lourdes Castro Ramirez

Secretary, Business, Consumer Services & Housing Agency

The Blueprint builds on the Comeback Plan. More than half of CA renters are cost-burdened (spending more than 30% on rent and utilities). Therefore, the Governor's budget proposes funding to reduce homelessness and create more housing.

Sam Assefa

Director, Governor's Office of Planning and Research

Budget includes over \$1 billion to accelerate housing - especially in downtown oriented places

Sasha Kergan

Deputy Secretary of Housing and Consumer Relations, Business, Consumer Services & Housing Agency

- Housing shortage impacts seniors, students, workers, and parents most.
- Investments in the Blueprint has twin goals of housing production and climate change.
- Budget will transform existing buildings into housing.
- The budget funds tax credits for housing.
- Will continue to help ADU production. CalHFA is rolling out an ADU grant program this year.

Gustavo Velasquez

Director, Dept. of Housing & Community Development (HCD)

- \$500 million in InII Infrastructure Grant Program
- \$100 million to convert commercial facilities into housing as well as state-owned housing

Gustavo Velasquez (cont.)

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- \$100 million for improvements to mobile homes

Tiena Johnson Hall

Exec. Director, California's Housing Finance Agency (CalHFA)

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Sosan Modant with Lighthouse Public Affairs asked about affordable ownership production, which was requested in a joint letter by Habitat for Humanity, CBIA, and Realtors, but not included. Sasha pointed to the mixed use rental housing program, but said they could keep talking.

I asked about rental assistance and Amy Wilson said they were awarded \$65 million for their first allocation and are in the process of submitting another request due at the end of the month.

For additional budget details, please visit: <https://www.ebudget.ca.gov/2022-23/pdf/BudgetSummary/HousingandHomelessness.pdf>