

SB 795 (BEALL, MCGUIRE, PORTANTINO): AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT INVESTMENT PROGRAM

POSITION: The Chamber's Transportation & Land Development Committee voted to SUPPORT IN CONCEPT on January 21, 2020. The Public Policy committee voted to SUPPORT IN CONCEPT on February 11, 2020. The Chamber's Board of Directors voted to SUPPORT IN CONCEPT on February 27, 2020.

RATIONALE: This bill creates a sustainable funding source for affordable housing units, rehabilitation of existing units, transportation improvements, parks and other public infrastructure.

STATUS: SB 795 was introduced by Senators Beall, McGuire, and Portantino on January 6, 2020 and waits to be heard by Committee on Governance and Finance.

SUMMARY

SB 795 would allow local municipalities to collaborate with the State to fund state-approved redevelopment plans. It allocates up to \$2 billion to be used for: affordable housing, transit-oriented development, infill development, neighborhood revitalization, and planning for projects that would mitigate the effects of climate change. The bill would allow local governments to opt-in and have projects funded via local property taxes.

INDUSTRY/IES IMPACTED

This bill would affect local municipalities and developers of affordable housing and infill projects.

ADDITIONAL INFORMATION

In 2011, the California Legislature dissolved Redevelopment Agencies (RDA) in response a large budgeting shortfall. RDAs were previously the greatest source of funding for affordable housing projects throughout the state. Since 2012, local governments and lawmakers have searched for ways to raise the capital needed to invest in public works projects, including affordable housing.

SUPPORTERS

- State Building and Construction Trades Council
- Affordable Housing Network
- The Cities of Alameda, Bellflower, Duarte, El Centro, Fountain Valley, Palo Alto, Pasadena, South Pasadena, Los Angeles
- City Council of Community Housing Organizations
- California State Association of Counties
- Orange County Business Council

OPPONENTS

- None known

ARGUMENTS IN FAVOR

California is experiencing a major housing crisis. 2.2 million low-income Californians are competing for only 664,000 affordable units across the state. This bill incentives additional affordable housing, in

ARGUMENTS IN OPPOSITION

Redevelopment bills, similar to this one, have failed in the past because of concerns that they would exacerbate the budget.

addition to transportation and neighborhood improvements that cities and counties want to build, but cannot afford.